THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXIV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, NOVEMBER 23, 1940 | 10c a Copy; $5.00 a Year | No. 47

The Nation's Business

The Truth About Rich Men

The attack by the Globe and Mail of Toronto this week on "the rich men of Canada" is most unfair. It is based upon an entirely untruthful set of premises.

The Globe and Mail charges that, "on the whole, it cannot be said of the rich men of Canada that they are prepared to shoulder their responsibilities." It is, to the Toronto paper, "always a little distressing to see men of great wealth buying a reputation of patriotism by large gifts to Governments for war charities," the gifts to be "deducted with care and accuracy from income tax returns which will be made at the year's end."

* * *

The truth is that the most of the money contributed to war causes by the wealthier men of Canada has been contributed anonymously. With few exceptions there has been no publicity or little publicity about the major large donations made to war charities, to scientific work, to equipment purchases, etc.

The truth is that the income tax exemptions allowed to wealthy men do not cover their donations to war charities. Many men give more than the exemption allowed. And the exemptions do not represent a deduction from the tax payable; but merely from the income taxable. No matter how much a man gives or how big his exemption he cannot escape income tax by giving his money to a charity instead of to the tax collector.

The truth further is that a large proportion of the wealthier businessmen of this country are dipping into capital today to maintain their families, to pay their increased taxes, and to make contributions to war causes.

* * *

The Globe and Mail implies that Canadian men of wealth do not devote their time freely to public service. The rolls of dollar-a-year-men at Ottawa and of workers in war services prove this statement to be wrong. We agree that there should be more such men at work at Ottawa and elsewhere in the public service. But how many have been asked? Can the Globe and Mail name one business leader in good health who has refused any real job offered him by his Government, no matter what the sacrifice?

If any man offered himself for service, would the Globe and Mail still accuse him of trying to "buy a reputation"?

Let us not belittle anyone's sacrifices or gifts. The millionaire's big cheque and the workingman's dime are equally needed in this war. And, strangely enough, even a cheque for a million dollars may represent a very genuine sacrifice to the man giving it.

* * *

Planning War Requirements

In an editorial, "Let's Face the Facts—at Home," which appeared in this column five weeks ago, The Post drew attention to the most imperative need in Canada's war effort.

We said in part,

> "Wartime leadership cannot use peacetime machinery to mobilize the nation. Unless the machinery to integrate and direct this programme is geared to the imperious needs of modern warfare there will be confusion, inefficiency.
>
> "In the earlier months of war so much furious energy is devoted to the placing of orders, mapping out of programmes, this lack is often not apparent. It is not until the war effort reaches its peak that weaknesses of plan, confusion of purpose, failure to control priorities, etc., appear. Often it is then too late to make amends.
>
> "What is of vital importance now is that we should take stock of our war effort, turn this series of improvisations into a well-integrated, co-ordinated war plan."

* * *

Last week the Government took an important step toward this goal. It appointed a Wartime Requirements Board under H. R. MacMillan, of Vancouver, to study, plan, integrate and direct war priorities.

This move is a step in the right direction for two reasons:

First, it faces the fact that the war effort cannot be effective so long as individual controllers, boards, departments and bureaus are working in their "cells" without informed, effective planning "from the top."

Next, it brings to the front in the war effort one of Canada's ablest industrial leaders, H. R. MacMillan, who has built, singlehanded, one of the most successful, extensive business organizations on this continent.

* * *

The board's power and authority are not entirely clear. Its chief powers are advisory. But with H. R. MacMillan at the head, supported by men of the calibre of R. A. C. Henry, Graham F. Towers and W. Clifford Clark, there should be little chance of its work and recommendations being ignored.

It has a unique opportunity to

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Political Pot Boils Over Sirois Report

Coming Talks Stir Much Activity — Experts Drafted to Bring Report Up-to-Date — See Hepburn Feud With King Healing

From Our Own Correspondent

OTTAWA.—Behind a front of great and increasing activity strange developments are in progress at Ottawa and throughout Ontario which will profoundly affect the future of the Rowell-Sirois report.

To the extent that future events can be controlled, the forthcoming Dominion-provincial conference is now being "planned" by busy politicians who still seem much concerned with immediate political fortunes.

The activity centres on the civil service side of the coming conference. The staff of experts that advised the Sirois Royal commission has been re-assembled, except for men who are now in the war administration and who cannot be spared.

These experts are bringing the report up to date and, particularly, working out the recommendations in Plan 1 on the basis of 1940. This is a tremendous job and it is not entirely encouraging when interpreted in terms of results at the conference.

Less Attractive Now

The fact is that Plan 1 as applied to 1940 will not be nearly as attractive to the provincial governments as it was outlined in the report proper. Then it was worked out on a 1936-39 average. Today, with unemployment relief costs greatly reduced, the provinces do not stand to benefit nearly as much by the proposed transfers as they would have done before the war-boom got under way.

And while it may be urged that the provincial governments should look to the future, when relief costs may again rocket skywards, the habit of looking ahead is one which is rarely acquired by governments.

It is still true, of course, that six of the nine provinces are in favor of the report and that of the remaining three, two are fairly neutral. Ontario's position remains doubtful. But as the degree of immediate benefit decreases, the ardor of the favorable provinces may decline.

Much Activity

Behind the scenes there is much activity. The lines of communication between Parliament Hill and Queen's Park, it is now apparent, are being rapidly repaired.

It was announced in Ottawa last week that Rt. Hon. Ernest Lapointe will speak in behalf of the latest recruit to the Hepburn Government in the Ottawa East by-election. It may also be noticed that weeklies and even dailies are carrying small items to the effect that federal and provincial Liberal political organizations are amalgamating all over the province of Ontario.

Everywhere in casual talk one hears that the past is now to be buried and forgotten and that Liberalism in Ontario — provincial and federal — is to proceed hand in hand.

These developments may have a very direct bearing on the outcome.

Expect Ontario Election

Likelihood that Mr. Hepburn will hold an early election is widely mentioned here. The gossip indicates an election next spring before the expected war offensives begin.

Mr. Hepburn is reported to believe that if he can heal the breach with Ottawa, success at the polls is assured.

An Ontario provincial government source declared the gossip of an early provincial election as a new high in "mendacity."

Quebec Plans Consolidating Income Taxes

From Our Own Correspondent

MONTREAL.—Announced reduction in the personal income tax rate in Quebec Province from 15% to 8% foreshadows elimination of the City of Montreal's personal income levy.

The province's estimates of revenue from income tax are predicated upon the Montreal tax being dropped, Hon. J. Arthur Mathewson, Provincial Treasurer, informs The Financial Post.

States Finances Improved

Mr. Mathewson stated recently that his Government anticipates that results for the full year will be so much better than estimated that a substantial surplus will be available to apply to capital account, as well as covering all ordinary expenditure, including direct relief and other expenditures, classed as extraordinary by previous regimes.

Much of the buoyancy shown in collections is attributable to substantial tax increases made at the June session of the Legislature. The new provincial income tax was then set at 15% of the net amount payable to the Dominion Government. A tobacco tax of 10% and a sales tax of 2% was imposed. Corporation taxes were doubled from 2½% to 5%.

Legislation will be passed at the next session of Legislature to enable reduction of the Quebec province's income tax rate.

Statement by Mr. Mathewson that provincial revenue will "remain stationary in view of the Dominion Government increase on the income tax," has been questioned. It is

(Continued on page 2, col. 5)

Biltmore Ends Record Year

A substantially higher volume of business has been enjoyed by Biltmore Hats Ltd. in the fiscal year which ends Nov. 30, compared with the previous 12 months, The Financial Post learns officially. Sales have been at the highest level on record during practically the full year.

The improvement probably reflects the increased plant capacity made available at the beginning of 1940. An additional 26,000 square feet of space was provided and equipment installed, and the plant placed in operation last January.

It is not yet clear just what the net result for the year will be, in view of the uncertain effects of the higher corporation and "excess" profits taxes. Net profit in 1938-39 year of $99,585—after $21,178 was provided for taxes—was substantially higher than the previous year, although below 1937 figures.

Expands Export Business

Improvement in domestic business has been the prime factor in the increased sales. Export business, also, has held up well and a new agency has been opened during the last six months in a country where formerly there was none. The company serves about four foreign countries.

The invasion of Belgium resulted in the company losing its source of processed rabbit skins, the basic raw material in making hats. A new source has been opened, however, in England where skins from Australia are processed. The company anticipates this source will continue satisfactorily—as has been the case in the past—but to guard against the possibility of erratic shipments large inventories are being carried. Other raw materials include linings, ribbons, leathers and dyes — all of which come from Canadian and United States factories.

Arms Plant Size To be Tripled

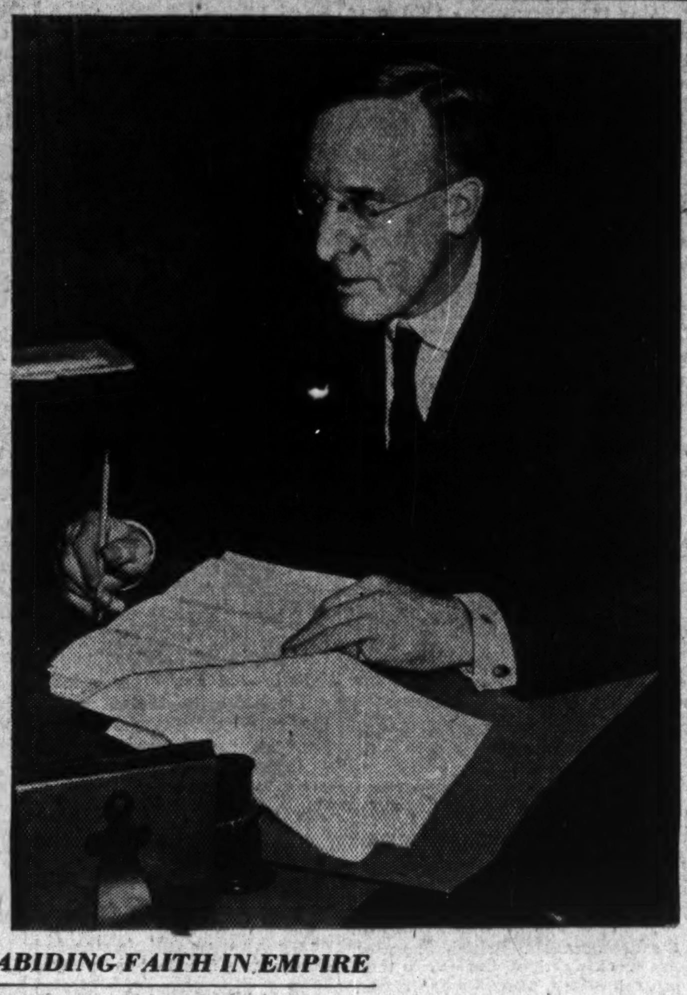
By STAFF WRITER

OTTAWA.—The order has been given to triple the capacity of Small Arms Ltd., the new Government-owned rifle plant which is now being erected by the Government on the outskirts of Toronto.

Ground was broken on the original plant last July. Work on the new project, which is being carried on by a separate corporation, is proceeding very rapidly.

The original cost of the plant was placed at $2.5 millions. The increase in output will require a plant double the floor capacity originally planned or an investment of about $5 millions.

The enlarged programme will give employment eventually to between 2,500 and 3,000.



ABIDING FAITH IN EMPIRE

In his presidential address at the annual meeting of the Canadian Bankers Association in Toronto last week, Harry T. Jaffray, president of the association and general manager of the Imperial Bank of Canada, stated there could be no doubt as to the outcome of the war.

Mr. Jaffray was again elected president of the association for the coming year. Vice-presidents elected are Charles St. Pierre, general manager, Banque Canadienne Nationale; F. H. Marsh, general manager, Bank of Toronto; G. W. Spinney, general manager, Bank of Montreal; and A. E. Arscott, general manager, Canadian Bank of Commerce.

Business Sees Need Of War Supply Chief

Still more top-flight business executives this week join in urging a non-political chief executive for Canada's $1.5 billion war supply programme.

These men have a wide range and background of experience. Most of them are in direct contact with the Department of Munitions and Supply.

They know how it functions. They have had a first-hand chance of sizing up its weakness and strength.

Such men also see the pressing need for managing Canada's huge war supply enterprise on the same sound basis as a successful industry—with centralized control and final authority at the top.

Common Need

The close identity of such a need between Government and industry is stressed in one arresting message to The Post from an outstanding figure in the world of finance and industry, whose wide experience has demonstrated his ability to stabilize industrial management. This letter says:

> "The operations of a government should be very similar if not identical to those of operating a business. It is necessary in business that the one in charge of management should have complete say and direction of the things to be done and must, therefore, accept the responsibility of results attained.
>
> "The Government, as in business, should have the directing power and necessarily must accept responsibility for results.
>
> "As far as my experience goes, I have found it necessary to have a definite head of each department or division. The different departments should be co-ordinated under a single head or management

(Continued on page 2, col. 7)

Dom. Stores Earnings Turn Up

But Difficult Tax Situation Faced — More Stores Closed, But Better Net Result

Satisfactory progress for Dominion Stores Ltd. was reported to The Financial Post by a reliable source following a meeting of directors held recently. It now appears, according to this source, that the company's earnings have turned definitely upward.

This information indicates to The Post that improvement has been shown by the company this year, compared with the deficit in 1939 of $125,207 after all charges. The Post finds from examination of the company's past earnings record, however, that a potentially serious tax problem is faced. It is not yet clear, therefore, what the net results for 1940 will be after all charges. Perhaps it is not too much to hope for a net profit this year.

The company had a net profit in only one of the four years, 1936-39 determined as "base" years under the "Excess" Profits Tax Act. This was in 1937, when net before taxes amounted to $56,236.

According to the latest Ottawa ruling, this total is divided by four to determine the base figure after which earnings are subject to "excess" profits tax. In the case of Dominion Stores, therefore, possibly 84½% of all earnings in excess of $14,059 would be absorbed by provincial and Dominion corporation and "excess" profits tax—unless, of course, special consideration is obtained from Ottawa. It is logical to assume the company will appeal to the referee board.

The improvement in earnings this year culminates two years of extensive reorganization under the present management, headed by J. W. Horsey, which assumed control in Nov., 1938. Major features of the reorganization have been as follows:

1. Closing of unprofitable stores and opening others at new locations.

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Investing In Wartime

Next week The Financial Post starts publication of a series of letters received from entrants in its contest of last year, "Investing in Wartime."

Last week The Post reviewed the results that might have been attained by investors holding prize-winning portfolios over the first year of war. These results show much better than average returns. Now to be made available for readers will be the current opinions of these experts in the light of a year's experience of investing in wartime.

The Post invites contestants, and other interested readers, to send in their comments. As many as possible of these letters will be published in succeeding issues.

War Planning Body Power is Limited

Strong Personnel Selected for War Effort Co-ordination Committee But Lacks Authority to Enforce Decisions — To Advise on Priorities

From Our Own Correspondent

OTTAWA.—Last minute changes in Government plans produced a planning committee to co-ordinate Canada's war effort on the economic front which is stronger than was expected in terms of personnel but weaker than was hoped for in power to enforce its decisions.

The committee comprises:

H. R. MacMILLAN, Chairman. Mr. MacMillan is now Timber Controller and will continue in that post.

R. A. C. HENRY, Adviser on Economics, Supply Division, Department of Munitions and Supply.

W. C. CLARK, Deputy Minister of Finance; chairman of the Economic Advisory Committee.

GRAHAM F. TOWERS, Governor of the Bank of Canada; Chairman of the Foreign Exchange Control Board.

LT.-COL. GEORGE CURRIE, Executive Assistant to the Minister of National Defense.

MAJOR GENERAL L. R. LAFLECHE, Joint Deputy Minister, Department of National War Services.

H. G. COLEBROOK, Executive Assistant in charge of Engineering and Supply, Department of National Defense for Air.

CARL GOLDENBERG, Secretary.

Mr. Goldenberg is a member of the committee as well as secretary.

The committee's job is to survey the whole field of industry, to consult with the defense departments and to ensure that war needs are filled in the order of their importance. In other words, the chief function of the committee is to decide questions of priority.

Merely Makes Reports

The order-in-council appointing the committee confers no mandatory power upon it. The committee, having made its survey and having agreed upon priorities will report to Hon. C. D. Howe, minister of Munitions and Supply. Where the war committee of the Cabinet has asked the priorities committee to make a special survey, the report will be to the war committee and not to the Minister.

In effect, the new committee is more of a priorities committee than a body charged with the task of coordinating war industry as a whole.

The board will not determine nor pass upon the needs of the defense services. These will continue to be outlined by the three defense departments. But once those needs have been made known (and preferably on a basis of long-term planning), it will be the board's responsibility to determine how best Canadian resources can be mustered to meet them.

It will issue no regulations; and it will place no orders. It will still be the task of the Department of Munitions and Supply to place the orders with business firms.

The new Board does not replace the existing raw material controllers, who together comprise a special raw materials control board. It will work through the controllers, taking full advantage of information they gather and suggesting ways in which their activities can further assist in achieving a coordinated and effective use of the material resources of the nation for war purposes.

Many Major Problems

The board will have many major problems to deal with in the near future. The whole supply programme will have to be reviewed. It is likely that the board will make an exhaustive analysis of that programme in terms of the men, money and materials required to bring it to completion. This survey may reveal that greater net progress would be made if some phases of the programme were scrapped entirely and others were intensively speeded up. For example—a purely hypothetical one—the board might be called upon to decide whether Canadian steel resources could be better devoted to building ships or building tanks, or alternatively if Canada could support both a shipbuilding and a tank programme.

But the board will not confine itself to determining what particular defense requirements shall be given priority in Canadian production. Its

(Continued on page 2, col. 6)

Analysis of Food Deal Hints Lower Gross

By STAFF WRITER

OTTAWA.—Canada is guaranteed a minimum market of almost $106 millions for food products (excluding wheat) in Great Britain next year, under new agreements brought back from London by Hon. J. G. Gardiner, Minister of Agriculture.

No agreement was concluded in wheat, but Mr. Gardiner told Parliament last week that exports are expected to continue at the rate of at least 160 million bushels yearly.

While Mr. Gardiner tabled an imposing total of guaranteed food exports in his report to Parliament, these were in the nature of gross figures. On the basis of actual shipments to Great Britain this year—and the most trade observers expect that such a rate would be at least maintained in any case—net gains are much smaller.

In the products covered by the new Gardiner agreements Canada actually exported to Great Britain in the first nine months of the current year a total of over $63 millions. Assuming that this present rate would be maintained for the balance of the year, total would be not far short of $85 millions, or $20 millions less than the total of minimum guarantees brought back by the Minister of Agriculture.

In one case, there is some doubt, The Financial Post is informed, as to Canada's ability to deliver the goods. This is tomatoes, canned and juice.

Canada harvested a light crop of tomatoes this season, and the pack is not believed a great deal larger than would normally be required by the domestic trade. If, as rumored, any restriction is placed on imports of American fresh fruits and vegetables and especially on citrus fruits which supply the same vitamin as tomatoes, then a serious shortage might develop.

There is also room for concern, The Post is informed, in the lower price for bacon in the new deal. Mr. Gardiner was somewhat reluctant to mention bacon prices when the agreements were first broached in the House last Thursday. Later, however, it developed that the new bacon price would be $15.82 per cwt. instead of $18.01 under the existing pact.

On the present basis farmers have been receiving in the neighborhood of 9 cents per pound liveweight for hogs. Whether they will now be asked to absorb the whole reduction, or whether this will be shared by the

(Continued on page 2, col. 4)

The War And Business . . A Weekly Round-up

Deliverymen Eyed

Don't be surprised if the war brings tremendous changes in Canada's service and distribution trades.

Ottawa now has its eye on distribution as a place where the use of man power can be tightened up.

Just look on any street any time of the day and see the number of duplicate bread drivers, milk drivers, etc. Ottawa thinks they are doing work which could be handled by a third of the present staff and equipment.

By next summer it's highly probable that drastic steps will have been taken to tap this source of man power in order to meet the rising demand for war labor.

* * *

Labor Administrator

Employers and businessmen who have conferred with Bryce M. Stewart, Canada's new deputy minister of labor, have been tremendously impressed with his ability and common sense. Typical comment made to The Post:

"He's practical, knows what its all about. He knows the importance of getting labor to take the lead. He has an open mind and is very receptive to new ideas."

The interdepartmental committee on labor problems which Mr. Stewart now heads is probably not the final answer to the labor problem. The committee is busy studying, making recommendations. Some of its recommendations have already been carried out. A real probability is that within 90 days an employment administrator will have to be appointed with executive powers.

Such an appointment will depend to some extent on the work and recommendations of the Stewart committee.

* * *

Diluting Skill

Apropos of labor problems there's a new word which is being used to describe the training of industrial workers for war needs.

The word is "upgrading."

It is used to describe the practice of giving a keyman the responsibility for training 4 or 5 young, unskilled persons to do one specific operation.

The older trained craftsman is guaranteed a job at the end of the war, but meanwhile his contribution is to turn out every few weeks youngsters who are 100% efficient in doing one thing.

Usually these youngsters start with a simple operation. As they get experience and show aptitude they are trained for a higher job with more responsibility and more pay. Each time they learn their job from the one skilled man.

So far, this is the most practical answer to the problem of getting trained workers for war plants.

* * *

Million Buyers

Ottawa is laying plans to get over a million subscribers for the next war loan. The September loan, that nearly failed, had only 150,890 subscribers. Authorities agree that more people have to save and buy bonds, have to make sacrifices if the loans are to accomplish their secondary purpose of diverting production to the war effort.

Ottawa hopes to have the Rowell-Sirois recommendations agreed to, in principle at least, by all the provinces before the next loan. That would enable Dominion and provincial financing to be dovetailed. The next big Dominion loan might even incorporate some money needed for provincial purposes.

* * *

Mexico-Canada

United States is getting ready to discuss joint defense plans with its other neighbor, Mexico. The way is being prepared by a settlement of such outstanding issues as confiscation of oil properties.

A Washington radio commentator predicted this week that the common defense plans would be carried out in collaboration with Canada. It does not seem likely that Canada and Mexico would sign a joint defense pact. But the collaboration could be secured through the intermediacy of the United States.

Meanwhile, Canada's Minister of Trade and Commerce and his chief assistants are packing their bags for a goodwill trade tour of Latin America.

Priorities Board

Ottawa reactions to the new Wartime Resources Board are highly favorable. It is recognized as having a powerfully important job to do. There is the utmost confidence in the driving force and executive ability of the chairman, Mr. MacMillan, who may find this post a stepping-stone to ultimate appointment as the "Sir Joseph Flavelle" of this war.

If the set-up has any weaknesses, that may prevent its work from being fully effective, they are, as seen by observers in Ottawa, the following:

1. The board is purely advisory. It has no power to enforce its decisions. Conceivably, the Government might under certain circumstances balk at taking some step regarded by the Wartime Resources Board as being urgent.

2. There is apparently no provision made for dovetailing the work of the board with war production in the United States and the United Kingdom. The hope of Sir Walter Layton to achieve full-scale cooperation in priorities, and rationalization between the three countries, has not been fully realized in the appointment of this board.

* * *

More Metal Controls?

George C. Bateman, Metal Controller, gave the public some facts about his work in an address this week. The talk is more fully covered elsewhere, but these points may be etched out here:

Production of ferro alloys has increased over four times; brass, six times, counting plants under construction.

We use enough aluminum in one year for wrapping of tobacco, tea and confectionery to build 1,000 airplanes. From now on airplanes will get first call.

There may be restrictions on use of steel and tinplate for containers.

Increases in smelting capacity have brought output of non-ferrous metals to 900,000 tons a year. We are not finding new ore at that rate. To preserve the industry new discoveries must be made.

Canadian metal producers have contributed millions of dollars to the Empire's cause by selling at patriotic prices.

Britain Needs Cash

Britain came out into the open during the past week with her plea for financial assistance from the United States. Lord Lothian, in a broadcast, said to the American people:

"In this battle my countrymen are very grateful for the immense and growing help you have given . . . But we also need planes, finance and ships, if we are to be sure of defeating the Nazi threat to liberty."

(Incidentally there was a curious incident in connection with this broadcast. Listeners thought they heard Lord Lothian say "planes, men and ships" but the text of his manuscript as released made no mention of "men.")

Meanwhile in Canada there is no public plea by any Canadian official for financial assistance from the United States in the form of American dollar loans. But relations between Canadian financial authorities and the U. S. treasury are very close. Canadian access to American capital markets cannot be more than three months away.

* * *

In War by Spring

Realistic observers in Washington and New York are beginning to discuss what they call the real meaning of "all possible aid for Great Britain, short of war." A distinguished lawyer, known in both political and business circles, interprets the situation thus in a note to the editor of this column:

"Many of us are acutely aware of the hypocrisy in the phrase. So far we have not made the slightest sacrifice in bringing about a victory which concerns us as much as it concerns you. We are still insisting on cash down for all purchases of Britain and Canada in this country."

He adds:

"I trust you will not consider me a hopeless optimist when I say Britain and Canada will get the necessary credits not later than the coming spring."

The Kiplinger Washington Letter seems to agree. It goes so far as to suggest that the United States course is "toward war" and says that many well informed persons talk about the possibility by next spring.

Survey of Mines Covers Impressive New Facts

It's off the press!—The Financial Post Survey of Mines for 1940-41.

With a limited press run only, readers are advised to forward orders immediately to ensure delivery. Copies are $2.

As another year is written into Canada's mining history, over a score of new mining companies have commenced payment of dividends, enlarging the already broad field of investment opportunity offered by this industry whose output now tops a half billion dollars annually.

With the British Empire in the throes of the greatest struggle in its history, Canada's mining industry itself has assumed a greater significance than ever before. How this challenge is being met is shown in the volume just published.

To provide the munition of foreign exchange, gold mines are now turning out a record volume of new wealth. Base metal mines have increased capacity, in many instances, and are producing the huge volume of metals essential for building a war machine. War minerals are being widely sought, and numerous discoveries have already been made.

The new Survey of Mines has all the features which have made it so valuable to investors in previous years. Besides the complete coverage of individual companies, mineral production for the Dominion and provinces is reported for many years—as are also price range of stocks, lists of mining plants, dividends paid and many other important items of information.

The usual exclusive map section covers not only established mining camps as in previous years, but recognizes the emergence of important new camps over the last year. With the many new factors changing the position of Canada's mining industry in national life, the current Survey of Mines is of unusual importance as a book of reference.

Make Sure You See—

How Rowell Report Aids War Effort
Why It Is Now Vital—p. 11.

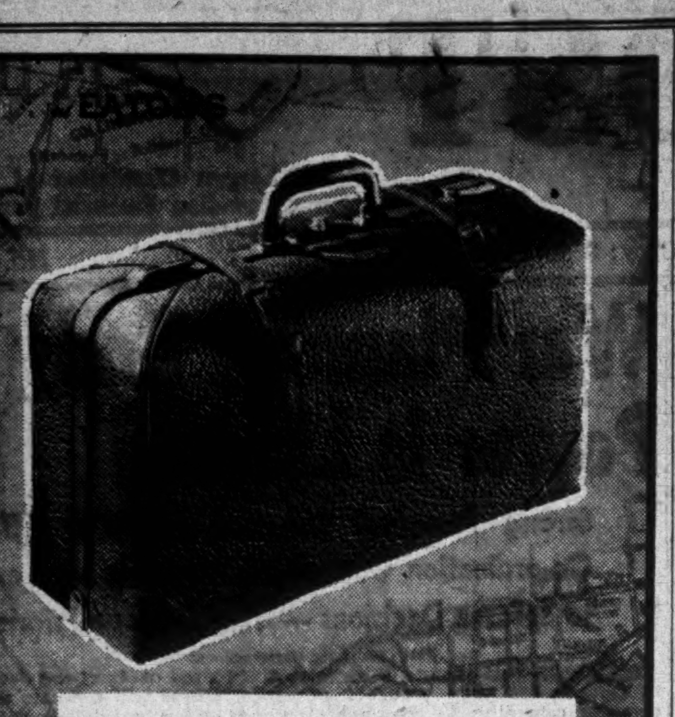
Bateman Speech Emphasizes War Needs
Says Big Sacrifices to Come—p. 19.

The Tangle on Taxes
How Taxes Hurt Competition—p. 3.

Taxation Changes Seen Looming
Some Major Changes in Taxation—p. 8.

War Effort Impresses U. S. Editors
Business Editors Laud—p. 13.

Nazi-Leaning "Economic Bureau" Exposed
Pro-Nazi Commentator—p. 10.



WHEREVER YOU TRAVEL
TAKE ALONG AN *Eatonia*
"PAKAWAY" GLADSTONE

A good friend to travellers, on long trips or short . . . the Eatonia "Pakaway" Gladstone is made from top-grain cowhide linen lined and is fitted with military style pockets, removeable toilet bag, suit folder to keep your suits neat with little wrinkling — size 24 inch. It lives up to the slogan, "You Can't Beat *Eatonia* for Reliability and Value!"

Eatonia Value $19.75

MAIN STORE ● FOURTH FLOOR

T. EATON Co LIMITED
TORONTO CANADA

Dominion Stores Earnings Up

(Continued from page 1)

2. Changing over of existing stores to a new type of streamlined groceteria unit.

3. A new method of inventory control, whereby discontinued lines have been liquidated and a stricter buying policy has been followed to prevent the purchase of slow-moving goods.

4. Promotion of the company's own brands of eggs, butter, tea and coffee.

5. Division of operations into six districts under district managers, so as to obtain greater control over purchasing.

Further Stores Closed

The Post has heard from another unofficial source that this programme has resulted in further closing of stores this year, with a net reduction of about 150 stores since the beginning of 1939. This leaves, it is heard, about 325 in operation at present, comparing with 378 at the end of last year. Most of the closing this year has been in Montreal. It is understood the plan will be continued in the future, but that major readjustments now have been carried out and future changes can be considered as normal to any chain store company.

Stores being continued are understood to be showing heavier volume per unit, and it is possible figures for the year may show average per unit sales a fifth higher than in 1939. Furthermore, per unit operating costs have been sharply reduced.

Heavy Capital Expenditures

The Post hears further that heavy capital expenditures have been required this year.

A favorable factor in 1940 has been the lightening of the municipal tax burden in Quebec, due to modified provincial legislation. Maximum tax of $200 per unit is now applicable, compared with the previous tax of $1,000 per store.

Increase of Canadian payrolls resulting from the stepped-up war production, The Post finds, has contributed materially to growth in sales. The promise is there will be a further jump, with the nation's war machine still not at capacity production and not likely to reach it until well in 1941. On the other hand, The Post can warn, a number of factors directly tied in with the war tend to depress the outlook for food stores, and a forecast of the outlook should take these into account.

More Power to 'Em!

"Never, in the field of human conflict was so much owed by so many to so few."

Three Canadian fighter squadrons already in the thick of it. The Royal Canadian Air Force, with 25,000 officers and men to take up the task so gallantly begun ..... 6,000 in training under the Commonwealth Plan — 2,000 more to be enlisted almost at once.

Faster ... faster the wheels of industry turn to provide the machines so urgently needed now. Orders for aircraft, totalling $100,000,000 already placed. More coming .....

The price of freedom comes high ..... in lives, in personal sacrifice ..... in hard cold dollars. Canadians gladly pay that price.

At this proud hour it is the plain duty of every working Canadian to **save**, that he may be prepared to lend his savings to the nation when the call for money comes. For come it will if Canada is to play her part worthily in this struggle for freedom and human decency.

Build up your savings **now** ..... Keep at it.

(Figures approximate as at Nov. 1, 1940,

Save for Victory

THE ROYAL BANK OF CANADA

The Nation's Business

(Continued from page 1)

draft a plan to mobilize the nation's resources efficiently. That, obviously is one of the most important jobs of the war.

The board is no cure-all. Its work has still to be judged by one test—results. But it shows that Ottawa realizes the vital need for greater co-ordination in war supply.

• • •

War Supply Problem Still Unanswered

Appointment of the new Wartime Requirements Board must not be considered the answer to another equally important need — the need for a full-time, non-political executive manager of the war supply programme.

Mr. MacMillan's new board may make the work of the Department of Munitions and Supply easier and more effective. But its job is not a substitute for a businesslike system of placing orders and checking on production itself.

It is not intended as such.

Its work is to bring greater coordination into the defense effort as a whole. It will have no authority over the procurement of supplies and armament.

• • •

Commenting on the need for a non-political administrator with full authority to direct the placing of contracts and production of war munitions, a Canadian businessman expressed himself this week as follows:

"Obviously the facts as The Post sets them out, speak for themselves. Centralization in a single individual of the responsibilities of production and procurement in our national defense endeavors would be not only in accord with sound industrial practice but unquestionably the only solution of the singular problem which The Post outlined."

Other opinions are reported elsewhere in this issue.

They establish and emphasize the need for placing control of the munitions programme in the hands of one man who can lift from Hon. C. D. Howe's shoulders the impossible load he is now attempting to carry in his dual rôle of cabinet minister and executive chief of war supply.

This need still exists.

It has not been obviated by appointment of the MacMillan priorities board.

• • •

Factories Are The Front Line

Not satisfied with having his finger in Canada's wartime wheat and agricultural problems, diminutive Hon. James Gardiner, is trying to run another full-time job as Minister of National War Services.

In the latter capacity he took time off this week to blast at managers of Canada's war factories who objected to having their workmen coöpted for military service.

"Factory managers who contend they cannot produce to capacity without interfering with the training of men," said Mr. Gardiner, "may have to be told by someone, just as they are being in Britain, that they as factory managers are not good enough for wartime."

Mr. Gardiner, in England, seems to have had his eyes closed when reading the newspapers. Otherwise he would have seen evidence of the growing demand over there to increase the number of workers in factories, even if it means sending men back from training camps to do it.

• • •

Mr. Gardiner seems also not to have paid much attention to what had been happening in Canada while he was away.

It is now the considered view of the best cabinet and executive brains in Canada that the most essential work which Canada can do is to keep every single manjack busy on the industrial machine. Not only that, it has been decided that there must be power to bring back into industry thousands of men of skill and training who have drifted into the army when there was no clearcut governmental policy as to which things Canada must put first in her war effort.

This is also the opinion of seasoned observer Hanson W. Baldwin of the New York Times. After viewing Canada's war effort a few weeks ago Mr. Baldwin wrote:

"The Canadian problem is not so much one of trained man power as equipment."

Later on, during his Sunday evening speech, Mr. Gardiner himself spoke the truth when he changed front and said:

"The real Battle of Britain is being won or lost in the factories of the democracies. British factories are working night and day to turn out munitions, arms, tanks, trucks, planes and ships. Our factories must do the same."

• • •

Appraising Canada's New Food Deal

Hon. J. G. Gardiner's new food deal with Great Britain will be received with mixed feelings.

Those who expected a solution to Canada's wheat marketing difficulties will be disappointed. There is no wheat agreement.

Those who expected to see our already generous bacon quota stepped up to include all the surplus this country could produce and at a high price will likewise be disappointed.

The new agreement does call for more bacon, the product of 3.6 million hogs in place of 2.5 millions at present, but the price is substantially lower. On the other hand there is a new deal in canned fruits and vegetables, provision for more cheese at no reduction in price, and a new, badly needed outlet for salmon and other frozen or cured fish.

• • •

It must be realized that in this war the food situation is vastly different from the first Great War period 25 years ago.

Then, during the whole of hostilities a great deal of Europe remained under Allied control. Close to 100 millions of people on Continental Europe looked to the outside world for a large proportion of their food requirements. Now responsibility for feeding these people is Hitler's, not ours. Our once huge export has narrowed down almost entirely to Great Britain.

This is not the only difference. In 1914, and all through the first Great War, the world was never far from an actual food shortage. This time there are huge surpluses in many lines.

With these facts in mind, the Canadian farmer must be thankful for even a moderate increase in food commitments guaranteed by Britain.

There will be less worry for some months, at least in regard to hogs. Twice during the past year a heavy surplus threatened, only relieved on one occasion when Britain agreed to take shipments considerably in excess of weekly quota.

Moreover even the substantially lower price in the new agreement will still make grain turned into bacon much more profitable than grain sold direct.

• • •

British Columbia's Spending Spree

British Columbia has balanced its budget, Hon. John Hart, Minister of Finance, has told the legislature. He added proudly that this was the first time in several years that it had been properly balanced, with an estimated surplus of $6 millions over ordinary expenditures.

But jubilation over this accomplishment is tempered by criticism that, despite the war, the Government proposes to authorize the highest expenditures, exclusive of unemployment relief and debt redemption charges, in the province's history.

Estimated expenditures are $29.9 millions for the 1941-42 period; for the current fiscal year they were $29.2 millions. Actual expenditures in 1939-40 were $29.4 millions.

Current year's revenues are estimated at $35 millions. This is an all-time record.

• • •

Mr. Hart says the surplus will take care of all provincial unemployment charges, set up full sinking fund requirements for the year for the first time in nine years. It will also provide for current debt redemption charges.

Mr. Hart also affirmed that the province will not enter the open market to meet its 1941 maturities of $24.5 millions. Presumably they will be paid off when due from sinking funds and cash reserves.

No new taxation is proposed.

• • •

While giving credit to Mr. Hart for achieving a balanced budget, The Vancouver Province termed it "window dressing" in anticipation of an early election.

"The budget is, indeed, an entirely selfish budget—selfish, that is, in that it gathers everything into the provincial treasury, leaving nothing it does not have to leave to the Dominion and once more denying the municipalities financial relief."

The Vancouver Sun, usually regarded as friendly to the Pattullo Government, goes even farther.

"The budget is incredible. At a time when the Federal Government has drastically reduced its ordinary running expenses; when the Federal Government needs every taxpayer's dollar it can get for the war; at a time when every family must make special contributions so that we may win the war—the Government raises expenditures to an all-time high. Incredible and intolerable."

• • •

When Premier Pattullo comes to Ottawa to attend the Dominion-provincial conference in January he will have a chance to learn just what this war is costing Canada and what it will mean to Canadians, and British Columbians, in terms of real sacrifice and saving.

It is apparently time he and his government came down to the hard and bitter earth of Canada's wartime fiscal plight.

Analysis of Food Deal's Effect

(Continued from page 1)

packers and the Canadian Bacon Board is not yet clear.

The new bacon agreement does, however, offer an enlarged market for hogs. Mr. Gardiner estimated that the present pact gave an outlet for 2.5 million animals, the new deal an outlet for 3.6 million. As Canada has been stepping up hog production lately, this gain is admittedly important. Already on two occasions this year, serious overproduction threatened, and the present tendency is toward still further hog expansion. In view of the price of grain—it takes about 4½ pounds of grain to produce one pound of live hog—even under new and lower prices it will still be more profitable to feed grain to hogs than to sell direct.

New Gain

The gain in dried and canned apples, fruit pulp, etc., is almost entirely new. It will help ease the Canadian apple situation but only slightly, as since the early days of the war this country's former fresh apple export to Great Britain has been completely halted. And, according to Mr. Gardiner, Great Britain regards imported fresh fruit as a luxury to be dispensed with until Hitler is beaten.

Millions of Dollars

	1939	Volume exported 1940*	Min. for 1941
Bacon & hams ...	32,287	56,600	67,300
Cheese	10,802	15,000	16,100
Canned fruit, tomatoes, honey, etc.	3,111	3,204	4,541
Canned salmon, frozen cod, etc.	6,662	7,320	12,050
Total†	54,435	84,456	105,741

*Estimated for full year on basis of actual shipments to date.

†Includes in addition to above some pork by-products, evaporated milk.

Incidentally Mr. Gardiner tabled in Parliament a British list of food priorities. At the top came wheat and other cereals. Bacon and other cured meats came fourth, fresh fruits were at the bottom. Here is the list:

1—Wheat and other cereals
2—Dairy products
3—Fresh meats
4—Bacon and other cured meats
5—Fish
6—Poultry and eggs
7—Canned fruits
8—Canned vegetables
9—Fresh fruits

The Minister of Agriculture held out little hope for substantial increases in Canadian exports of wheat, butter, poultry products, and canned fruit other than those mentioned in his agreements. On some of these items, notably wheat, butter, and fresh meats Britain has other sources of supply that have claims nearly if not equally as good as Canada. On some of the other products such as eggs and dressed poultry the British farmers themselves are expected to make the main contribution.

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Quebec Planning IncomeTax Move

(Continued from page 1)

argued that the province would benefit from the increased Dominion levy despite the reduction from 15% to 8%.

Estimate Revenue Unchanged

Without allowing for elimination of the Montreal tax this conclusion would appear justified. But assuming the province would have to give the city increased aid to replace the lost income tax revenue, it is estimated that the province's position would be the same as under the 15% levy if the Dominion Government had not boosted its scale.

In addition it is pointed out that the amount of income tax payable to the Provincial Government cannot exceed $7,000. This prevents the province from benefitting to the greatest extent possible from the higher income brackets.

Use Dominion Base

The Provincial Government has estimated its requirements on the base established by the Dominion Government. The new 8% rate takes into consideration this new base, plus elimination of the Montreal tax. It is anticipated that revenue from this source will be substantially unchanged from original estimate.

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War Planners' Power Limited

(Continued from page 1)

activities will unquestionably embrace the whole question of priorities between war and civil needs. It may, after investigation, make sweeping recommendations looking to the diversion of power, materials and manpower from "non-essential" industries in order that the ravenous demands of war production may be met.

Of Growing Reputation

Mr. MacMillan, the chairman, has been the timber controller in the Munitions and Supply department and is one of the outstanding business executives of the country. Coming to Ottawa from British Columbia a few months ago he has grown steadily in reputation and influence and is today one of the commanding personalities in the Government service.

R. A. C. Henry, is a veteran civil servant as well as a leading industrialist. He was for some years deputy minister of railways and canals, before retiring to head the Beauharnois Corporation. Mr. Henry is an acknowledged expert on transportation and the special duty published as an appendix by the Sirois Royal Commission testifies to the sweep and thoroughness of his information.

Col. George Currie is a Montreal auditor who came to the National Defense department as Col. Ralston's executive assistant. He, too, has grown steadily in reputation. Col. Currie is, also, a member of the interdepartmental committee on labor.

Major-General La Fleche is one of the deputy ministers of the National War Services department which is particularly concerned with mobilizing the nation's manpower and he, too, is a member of the labor committee.

H. G. Colebrook, of the Air Ministry, was the merchandise manager of the Robt. Simpson Co. of Toronto and he, also, is an outstanding business executive.

Mr. Goldenberg is the associate director general of economics in the Munitions and Supply department and is an expert on municipal finance.

Personnel Strong

And the very personnel argues an influence for the committee far outreaching any actual powers conferred upon it. The presumption is, and strongly, that whatever this committee decides upon will very probably be done, whether or no the committee, as such, has any authority to issue an order.

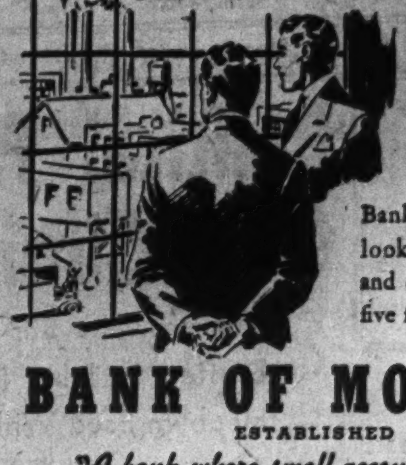
The influence of men like Dr. Clark and Mr. Towers is not to be confined by orders-in-council, while men like Mr. MacMillan and Mr. Henry could not long continue to draft plans if they were not acted on.

Another highly interesting aspect of the committee is that for the first time a body of men having to do directly with the organization of industry includes the controlling minds in the Government's financial hierarchy. Mr. Towers and Dr. Clark have everything to do with the financing of the war and the controlling of the national economy. The viewpoint of the financial experts will now be given direct play on the industrial side of the war effort.

Can Meet Labor Needs

Labor is excluded from the immediate view of the Board. But again, in Maj.-Gen. La Fleche, Col. Currie and Mr. Goldenberg, the new Board will possess members of the interdepartmental committee on labor and will, through these men, have a voice in the formulation of labor policy and just as the Board will work with the steel, oil, metal, power, and other controllers, it will undoubtedly reorganize the labor committee as its liaison with labor problems.

On the narrow reading of the order-in-council the committee lacks all executive or mandatory power. It can advise: it cannot command. Precisely why the power to command was withheld from it, is difficult to say. But the advisory character of its work jibes with government policy in other matters, where there has been an insistent refusal to delegate sweeping powers over a wide field to anyone. The Cabinet is very fearful, it would seem lest it "abdicate" some of its functions.



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A103

Need War Supply Chief

(Continued from page 1)

and through him the results of all operations should be passed on to the Government for final decision.

"In choosing a personnel for the work now being done, everything political must be discarded. Even the service of those with the best intention who offer their service at no cost should not be accepted for responsible positions unless they are definitely qualified to do the work that is to be done."

This thought is echoed by the head of a firm making equipment in general use by most business concerns:

"Obviously the facts, as The Post set them forth, speak for themselves. Centralization in a single individual of the responsibilities of production and procurement in our national defense endeavors would be not only in accord with sound industrial practice but unquestionably the only solution of the singular problem which The Post outlined."

Another big company president terms The Post's point of view for appointment of an industrial front commander is "timely and forward-looking." He adds:

"It is unfortunately the belief of most people that statements in such articles are criticisms rather than what we know them to be, namely, suggestions to our Government from people engaged in the sphere of practical business and production."

Basic Objective

The executive head of a large Canadian manufacturing company points to the basic objective toward which Canada's war effort should be directed. He says:

"As danger signals, these editorials could hardly be made any stronger, or expound truths more apparent. I acquiesce 100% with your views of saving those who are, undoubtedly, doing the most work, without thought of their own personal well-being. At the same time, a heeding of such warnings would be insuring for Canada a maximum effort, a fully co-ordinated effort, and a most efficient effort."

A distinguished executive in one of Canada's major industries advances specific suggestions for choosing the czar of Canada's war supply programme toward such objectives. He observes:

"You are quite right that one man must be appointed to supervise the production of war material in Canada, and to check the construction and efficiency of the plants used for the purpose.

"Ten of the best younger executives in Canada might be given to choose from, men with proven ability at production, for this is no time to experiment to determine if a good storekeeper, etc., would also be a good factory executive. Among such men I might suggest, Sir Edward Beatty, Murdoch, Purvis, Blaylock, MacAskill, etc.

"Or otherwise, a committee of executives and operators, free of political associations, might be appointed to choose the best man to put in charge of the production of the country for war purposes. As members of this committee, I would suggest such men as Beatty, Murdoch, Blaylock, Purvis, McLaughlin, Campbell, MacAskill, Dunning, McMaster, Ross, Corrigan, Holt, Dunn, etc."

Experts Needed

Several comments stress the need not only for a top-rank, able executive in full charge of war production, but for competent experts to direct each phase. Says a high executive of a firm supplying the army with one of its basic needs:

"I agree that Mr. Howe should have a competent man to handle the purchasing of so many millions of dollars worth of supplies. I will even go a step farther and make the statement that whoever is given the job of being responsible for the purchase of supplies should have competent men who are experts in their particular fields.

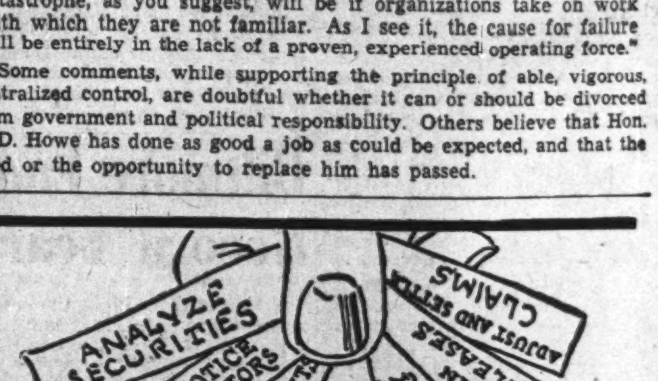
"I do not see how one man could be expected to step into a position and be responsible for buying different articles at the right price and the right quantities without the advice of men in their particular industry. For instance, a clothing man would not be qualified to purchase munitions, airplanes or anything else he was not familiar with."

Along the same line, the executive head of a major concern in the field of primary industry writes:

"The jobs to be done should be handled by those having actual experience along the same lines as the war material to be ordered. For instance, I think the Government has made a very good move in asking several firms to finish machine guns of various sizes, and again they are correct in ordering the gun forgings direct from steel manufacturers which have already proven the quality of the gun forgings.

"The only chance we see of running into overwhelming grief and catastrophe, as you suggest, will be if organizations take on work with which they are not familiar. As I see it, the cause for failure will be entirely in the lack of a proven, experienced operating force."

Some comments, while supporting the principle of able, vigorous, centralized control, are doubtful whether it can or should be divorced from government and political responsibility. Others believe that Hon. C. D. Howe has done as good a job as could be expected, and that the need or the opportunity to replace him has passed.



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MONTREAL TORONTO

The Tax Tangle

How Taxes Hurt Competition

Weak Units Made Weaker by Unexpected Workings Of Excess Profits Tax in Determining "Standard Profit" According to Study

Perhaps it is inevitable that, in a period when the whole tax structure of a country has been in a state of flux with new tax laws coming out every few months and budget estimates being revised two or three times a year, unsound situations should develop.

That this has been the case in Canada since the outbreak of war is the contention that The Financial Post hears from all sides. So numerous are the specific instances cited that The Post is convinced reforms are needed.

Difficulties arise chiefly from the apparent workings of the present Excess Profits Tax Act about which there appears still to be considerable confusion.

Standard Profits

Take the method of calculating "standard profits" as an example. This standard profit is the base from which is determined whether or not a company is subject to excess profits tax; also the amount of its income that should be so taxed. It starts with taxable income for company years ending in the years 1936-39 inclusive.

This definition of the period covered is expected to be changed to remove certain unfairness in the present Act in that a company whose year ends in January, for example, would actually be averaging 11 months of 1935 and only one month of 1939. This prospective change was first announced in The Financial Post last week.

Here is how the income tax department's explanatory brochure explains the method to be used in calculating the "standard profit."

"To secure the average profits of the standard period you add the four years' profits of the taxpayer ......and divide by four."

No Allowance For Loss

This seems simple enough but here is the catch.

"If the taxpayer was in business four years but had one year of loss and three years of profit, the year of loss counts as a year of nil profits, so that the three years of profit are added and divided by four. If the taxpayer had two years of profit and two years of loss, the total of the two years of profit would be divided by four."

In this respect it appears that taxpayers in old-time businesses where losses have been suffered in one or more of the base years are handicapped when compared with businesses not in operation throughout this period. Here is how the standard profit is calculated in such cases:

"If the taxpayer has been in business three years you add the three years' profits and divide by three. If in business two years, you divide by two."

Appeals Expected

A "new business" as defined by this Act is one that commenced after Jan. 1, 1938, and such a business is invited to seek a hearing before the Board of Referees.

The point here is that a business which started in 1936 or 1937 only has to divide its aggregate taxable income for the period by the actual number of years it has been in business. But a company in business five years or more has to use the divisor of four even if reporting taxable profits in only two or three years.

Alters Competitive Position

Here is an angle which The Financial Post is assured by industrial leaders will seriously affect the competitive position of certain companies in the domestic markets.

Most industries have operating in their fields other companies which through the years have been able to establish definite leadership. They have probably been able to weather difficulties which have wrecked earnings of competitors. Now it appears that the present applications of the Excess Profits Tax may increase their advantages.

Flour Milling Example

Take the Canadian flour milling industry as a specific case. At the recent annual meeting of Maple Leaf Milling Co., D. C. MacLachlan, president, told shareholders that this company under a literal interpretation of the Excess Profits Tax would have to take profits for the year ending July 31, 1940, and divide by four. It actually reported losses in two of the four base years and negligible earnings in another. Maple Leaf Milling would have a very low "standard profit."

Compare this company's position with that of the most profitable unit in the industry, Ogilvie Flour Mills. This company reported substantial profits in each of the four base years. It is true that Ogilvie has become practically as much of an investment trust so far as earnings are concerned as it has a flour milling concern. This makes any accurate calculation from its published figures difficult but even a cursory inspection makes clear that Ogilvie will have a much higher "standard profit" than will Maple Leaf.

The other two leaders in Canada's milling industry, Western Canada Flour Mills and St. Lawrence Flour, both reported losses in one year and would have to divide three years' taxable income by four. Their position might not be as unfavorable as would that of Maple Leaf but it is still less favorable than Ogilvie.

Chain Stores

An even more striking example is found in the results of three major, and competitive, chain store organizations.

Dominion Stores had a net profit in only one of the four base years; Thrift Stores has not reported a net profit in any of these years.

Contrast this with the position of Loblaw Groceterias. This company has earned over $1 million in each year. Its "standard profit" will be at least this much compared with a few thousand dollars for Dominion Stores and nil for Thrift.

This situation is illustrated by the tabulation that follows:

Income Before Taxes
Company Years Ending in

	1939 $	1938 $	1937 $	1936 $
Flour Milling Companies				
Maple Leaf Milling	494,023	nil	18,857	nil
Western Canada Flour	50,775	nil	82,607	*38,401
St. Lawrence Flour	200,558	nil	139,083	135,483
Ogilvie Flour†	996,317	792,627	1,062,252	930,824
Chain Food Stores				
Thrift Stores	nil	nil	nil	nil
Dominion Stores	nil	nil	56,236	nil
Loblaw Groceterias	1,495,253	1,404,700	1,301,204	1,084,354

†Net profit after taxes. This figure includes income from investments and subsidiaries. No breakdown of taxes is available.

*Income taxes not available as separate item.

Each of these industries is heavily competitive. Flour millers in reporting for last year all commented on the fierce competition met in the domestic market. Chain food stores traditionally operate on the principle of a small profit on many dollars worth of business. Their margin is slim at the best of times. Small changes in competitive position may mean the difference between large earnings and heavy losses.

Efficiency Still Counts

There is no argument being advanced that tax laws should level out competition or take away the advantage a more efficient operator has over his less efficient competitor.

But there does seem to be a strong argument against tax laws which materially weaken the ability of certain units in an industry to survive.

This destructive situation could be easily remedied if established businesses were allowed the same privilege that is given to businesses in operation less than four years. Or it might be remedied if the British system of permitting a choice of base years were adopted.

But as at present set up, the only recourse of companies which are faced with unfair tax burdens is an appeal to the Board of Referees. Little is known as yet about this board's policy but indications are clear that one policy will be to require payment first and appeal afterward. As at present set out, Canada's excess profits tax encourages appeals to this board while the British Act is said to make such appeals the exception rather than the rule.

Gardiner Gives Commons Pretty Rainbow Picture

From Our Own Correspondent

OTTAWA.—Parliament was astonished at the ease with which Hon. J. G. Gardiner, Minister of Agriculture, claimed to have disposed of Canada's wheat problem.

He did not succeed in making a new agreement with the British Government on wheat but he included in his statement in Parliament a forecast of wheat marketing conditions which made the heads of the steadiest members reel.

Canada, he pointed out, now has 713 million bushels of wheat to export. But this should not discourage anybody. He foresaw that in the next five years, with average crops, this Dominion would sell 2,080 million bushels and have on hand perhaps 100 million bushels. Indeed, he foresaw conditions where this country might be short 50 million bushels or more and have no carry-over at all.

Mr. Gardiner backed up this astonishing forecast with a set of figures. The period he covered was 1940-41 to 1944-45. Allowing an average production in this period of 380 million bushels per year, the total production would be 1,900 million bushels. To this add the 280 million bushels carried into this year from previous crops and the total wheat to be disposed of is shown at 2,180 million bushels.

Mr. Gardiner disposed of this immense bulk of wheat in this way:

To Britain—5 years at 160 million bushels per year, 800 million bushels.

At home—5 years at 160 million bushels per year, 800 million bushels.

To countries now blockaded (the blockade is to be lifted after the second year) three years at 160 million bushels per year, 480 million bushels.

This brings total sales to 2,080 million bushels, but Canada might well sell 30 million bushels per year to countries outside of the blockade. This would boost sales by 150 million bushels and actually leave a shortage of 50 million bushels.

Rainbow Forecast

This rainbow forecast of the wheat situation will be found at pages 116-7 of unrevised Hansard. Mr. Gardiner built up his rosy picture with a rare economy of suppositions. In the whole passage he used "it appeared" twice; "probably" four times. There are only four "ifs" and on two occasions he used the word "assuming."

Mr. Gardiner did not explain how he means to boost home consumption or why the blockade will be over in two years or where the extra 30 million bushels are to be sold. He said that he hoped acreage would be reduced but that he did not anticipate that unsold stocks would grow to excessive amounts. He thought the nub of the whole problem was in financing his proposition. To carry the wheat would cost the treasury some $620 millions in advances. This, of course, would be on loan, not a loss.

Nevertheless Hon. J. L. Ilsley seemed almost to bound out of his seat at this point in the speech.

Fleet Aircraft Head To Direct New Firm

From Our Own Correspondent

MONTREAL.—Dept. of Munitions and Supply is proceeding with plans for the construction of a large airplane factory on the 40-acre site adjoining the Crumlin airport near London, Ontario. While no official figure has been issued as to the capital involved in the enterprise, it is currently reported at around $3 millions.

As in the case of other enterprises of this nature, the new plant will be operated by a company to be formed under the presidency of W. J. Sanderson, president of Fleet Aircraft of Canada Ltd.

New Building

WAR PROJECTS

Recent large construction contracts awarded through the Department of Munitions and Supply included the following projects:

Wireless school, Winnipeg, for Air Training Plan, wood construction, $120,000.

Wireless school, Calgary, for Air Training Plan, wood construction, $105,000.

Heating plant, R.C.A.F. station, Jericho Beach, B.C., $74,000.

Reported by Engineering & Contract Record:

Dept. of National Defense and Quebec City Council have awarded contract for runways for $242,500 airport at Quebec.

Dominion Dept. of Public Works plans erection of $115,000 base post office building in Ottawa to handle army mail.

The Post-Bag

Reprinted

The Rowell-Sirois Royal Commission Report on Dominion-Provincial Relations, monumental pattern for re-Confederation, has gone into second printing. The report, with 34 main volumes and appendices, was made public last May. The first edition of 3,000 copies has been sold out and the printing bureau has printed another 1,500 copies.

* * *

Against Control

H. J. Symington, K.C., is Canada's wartime power controller. He is also chairman of the bondholders' protective committee for Abitibi Power & Paper Co. Recently in the course of a day spent testifying before the Ontario Royal Commission investigating Abitibi's affairs, Mr. Symington was asked by the commission counsel for his opinion on prorating as practised by the Canadian newsprint industry.

This led to some discussion of the place of governments in business.

Mr. Symington gave his position as opposed to any form of government control of industry.

* * *

"Toot" or "Tout"

When Senator Arthur Meighen uses a word it is a good English word and it is being used correctly.

Hansard quotes him in a reference to the "much tooted training scheme for home defense."

More often the phrase used is "much touted." The Oxford English Dictionary definitions do not help much in determining which spelling and pronunciation should be used or if both are correct.

* * *

The "Beaver"

Lord Beaverbrook as seen by the editors of the K-H News Letter from London:

"Lord Beaverbrook is a headline man. He has an important audacity which is very valuable. He refuses to listen to reason when his instincts tell him something is necessary, because he is afraid 'reason' might prove that what he wants is impossible . . .

"The 'Beaver' is like the mayor who kicks off at a cup-tie. Sometimes he kicks the ball in the wrong direction. The important point is that he starts the ball rolling and the professionals can then get busy. The Lord Mayor, from the side-lines, may then shout 'Shoot!' at all kinds of odd moments. If the professional knows his business, he does not always hear this voice."

* * *

Radio "Find"

Many of those who heard Air Marshal W. A. Bishop, V.C., in his broadcast from Washington last week, added his name to the growing list of radio "finds" of the war. It was an impressive address, forcefully delivered.

* * *

Oxford Pamphlets

Here are the titles of the latest in the Oxford series of Pamphlets on World Affairs:

"The Gestapo," matter-of-fact but blood-curdling story of Hitler's secret police, by O. C. Giles, an expert in Nazi law;

"Britain's Blockade," in which R. W. B. Clarke, British financial writer, forecasts that by 1942 the blockade may have enabled us to take the offensive;

"War and Treaties," by Arnold D. McNair, a great authority on international law, suggests how we may overcome the weaknesses of international anarchy;

"Australia and New Zealand at War," a study prepared by the Canadian Institute of International Affairs from authentic data.

All these pamphlets sell at 10 cents.

* * *

Victory Plan

Candidus, feature writer for the London Sketch, offers a war plan to Britain. Here it is, in brief:

"With all our might and main to turn out as many airplanes and ships (both for the Fleet and the Mercantile Marine) as we possibly can.

"To reduce the army to 500,000 highly trained men with the last word in mechanized equipment such as tanks and armored cars, and naturally artillery and machine guns.

"Then to put back the men thus demobilized from the army to work in their several trades, with particular reference to increasing our exports."

It is the experienced guide who knows the shortest and least difficult path through the mountains. Pitfalls and obstacles are known to him and he walks steadily on to his destination.

In the same manner, the experienced executor guides an estate along the safest path to its settlement. Proceeding steadily and surely, that executor knows the next steps to take to avoid the difficulties ahead and how to bring an early and full usefulness of the money and property to the ones who are to receive it.

Make certain your estate will be guided by an experienced executor. Appoint this Trust Company and leave to your heirs the additional protection of our knowledge of estate settlement.

Ask for our booklet explaining our services.

Executor and Trustee since 1897

THE
TRUSTS AND GUARANTEE
COMPANY LIMITED

CALGARY WINNIPEG TORONTO BRANTFORD WINDSOR

11-40

IF YOU'RE LOOKING FOR LOOKS

Here's Your "LOOK LEADER"

★ THRILLING NEW BIGNESS (in all major dimensions). The new Chevrolet is SIZED UP beyond all expectations, both inside and out —made so impressively BIG and beautiful in all ways that it marks a two-year advance in one.

★ NEW LONGER WHEELBASE. A full 3 inches have been added to the wheelbase—making Chevrolet for '41 even longer than the famous '40 model whose 181 inches from front of grille to rear of body made it "the longest of all lowest-priced cars."

★ LONGER, LARGER, WIDER FISHER BODIES (with No-Draft Ventilation) With more foot room, more shoulder room, more seating room—with wider windshield and increased driver vision—with more luxuries.

★ DE LUXE KNEE-ACTION ON ALL MODELS (with Balanced Springing Front and Rear and Improved Shockproof Steering). New harmonizing of the front and rear spring action, plus wider spread between rear springs, longer wheelbase, added weight and improved weight distribution, gives big car comfort and safety.

★ FAMOUS VALVE-IN-HEAD "VICTORY" ENGINE. For over 25 years Chevrolet Valve-in-Head Engines have led the field in performance with economy of gas and oil. Today's magnificent, powerful, time-tested Chevrolet Valve-in-Head Engine represents the peak of power-plant efficiency and economy.

★ ORIGINAL VACUUM-POWER SHIFT. At No Extra Cost. (Built as Only Chevrolet Builds It). 80% automatic, requiring only 20% driver effort . . . introduced by Chevrolet exclusively 3 model years ago—now perfected as "the world's easiest gearshift".

★ SAFE-T-SPECIAL HYDRAULIC BRAKES. Designed to stop quicker with less driver effort—to be completely under driver control—to last longer—and above all, to be truly equalized at all times.

PLUS MANY MORE OUTSTANDING COMFORT, SAFETY AND CONVENIENCE FEATURES

CANADA'S STYLE CAR for 1941

Chevrolet for 1941 is the longest, largest, most luxurious car the leader has ever built . . . with 3" more wheelbase and "three-couple roominess" in all sedan models . . . with dashing new "Aristostyle" design and a new beauty-leading Body by Fisher, found only on Chevrolet and higher-priced cars!

Parade along the avenue in this sparkling beauty, and you'll attract every eye . . . for the new 1941 Chevrolet is the smartest car that ever wore a radiator ornament . . . more than ever the Style Car of the Dominion!

Performance?—You get record-breaking road action with even greater smoothness and economy! Riding comfort?—"the smoothest, steadiest ride of all," with De Luxe Knee-Action and balanced springing front and rear on all models! Handling ease?—it's almost automatic, with Shockproof Steering and the Original Vacuum-Power Shift, built as only Chevrolet builds it, on every car in the line!

You be the judge of the new 1941 Chevrolet! Enjoy a demonstration ride today. Eye It — Try It — Buy It! See how finely and faithfully it is designed to be first again in popular favor and popular demand!

**Two-tone colors on all Special De Luxe models—optional at small extra cost.*

EYE IT . . . TRY IT . . . BUY IT!

Again CHEVROLET'S the LEADER

C-341

1941 CHEVROLET

ACME

GLOVES

For STYLE and SERVICE

Gloves with the style that appeals to discriminating men and the wearing quality that assures lasting service. It pays to say "ACME".

ACME GLOVE WORKS
LIMITED, MONTREAL

WHAT'S *your* PROBLEM OF PLANT EXPANSION?

JOHNS-MANVILLE can help you solve it . . . Expert advice on planning . . . Speedy delivery on materials, from warehouses all across Canada.

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BUILDING MATERIALS

JOHNS-MANVILLE JM PRODUCTS

★ J-M BUILT-UP ROOFS ★ J-M CORRUGATED TRANSITE SIDING ★ J-M INDUSTRIAL FLOORING ★ J-M INSULATING BOARD PRODUCTS ★ J-M ASBESTOS WALLBOARDS ★ J-M ROCK WOOL INSULATION ★ J-M INDUSTRIAL INSULATIONS ★ J-M PACKINGS ★ J-M GASKETS ★ J-M REFRACTORIES

and many other essential materials for factory, shop, mill and office

CANADIAN JOHNS-MANVILLE CO. LIMITED, TORONTO 6, ONT.

Investment Trends

Market Strength Fails To Keep Up Advance

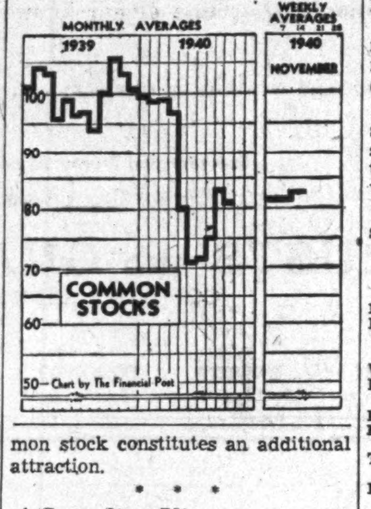
Inflation Becomes Matter of Current Interest and Rules For Stock Selection Given—Banker Paints Gloomy Inflation Picture

Stock market action over the past week or two does not indicate readiness to start any dynamic price rise. The first few days of November saw new peaks reached for the recovery from last June's lows and an encouraging increase in volume. But the follow-through still seems lacking.

War and taxes are probably the two factors resisting the advance at present. This has been true for many months now and the immediate future does not promise relief.

The background does not suggest serious danger of heavy liquidation which might take prices to new lows. Rather it suggests that stock prices may hold not very far from prevailing levels for a while yet. In Canada we are pretty certain that taxes will not be any lighter although we do hope that certain unfair applications of present levies may be altered. The United States is faced with probably important alterations to tax schedules early next year. On top of this, the war has not taken any decisive moves lately.

Then we have the influence of British liquidation. This is felt in Canada now as well as in the United States. Reports from New York indicate that the British have been selling a lot of stock lately but that they have far more still to liquidate. Then there is the announcement of some clean-up operations through the latest vesting order issued by Britain covering additional U. S. securities. These factors may appear to place the weight of opinion against improvement in stock prices but they should not be interpreted as suggesting much decline in the predictable future.



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Post-war Competition

Some conception of what might face certain branches of Canadian industry after the war is now becoming more clear. One factor is that new plants being constructed primarily for war production embody much improved methods over existing plants. The competitive situation, where such wartime plants can be switched to peacetime production, might become a factor of serious import for many Canadian companies after the war.

For example, a new plant is now being built to make castings for munitions. Such have been the improvements in methods and equipment which are being installed in this plant that a certain operation which now requires over 50 man-hours in what is a normal Canadian foundry will only require about six man-hours in this new plant. Further, this new plant is one which can quite easily be switched to peacetime production and could probably produce all the castings of this type that Canada would require.

While developments such as these may result in Canada having a much more efficient industrial plant, serious readjustments will be necessary in many lines.

• • •

Inflation Protection

Convinced that inflation of a "virulent character" is coming in the United States, although its date cannot be forecast, a writer in Barron's draws up some specific tests which stocks should pass to qualify as inflation-time investments. He thinks that "the only proper inflation protection lies in the common stocks of industrial companies."

Protection against inflation is not easy, but there are six factors which this writer holds should guide in making choices:

1. The company buys early and sells late. This factor he thinks to be most important and mentions among companies which answer this qualification best the distilling companies and the motion picture industry. The time factor permits price rises to aid the company.
2. The company must be able to raise its selling price at will and without great sales resistance.
3. Depreciation is high in proportion to gross sales.
4. Depletion is high in proportion to gross sales.
5. Raw material cost is low in proportion to gross sales.
6. Wage cost is high in proportion to gross sales.

His conclusion is that if factor No. 1 and one or more of the others are satisfied by the investment being considered, it should be a good vehicle for inflation protection. If a company is in good financial shape now and earns satisfactorily, then the existence of a large and long-term fixed debt ahead of the common stock constitutes an additional attraction.

• • •

A Canadian View

Further light on inflation is given by H. T. Jaffray, president of the Canadian Bankers' Association in his address at the annual meeting. Commenting on gossip from some sources that Canadians should resort to inflation to help finance this war, he says, "I cannot too strongly condemn any such suggestion as not being in the best interests of the country, and because such experiments must inevitably carry with them an aftermath of depression."

He feels that those who advocate such proposals cannot realize what the results would be. He reaffirms that "There is only one way in which to finance this war, and that is by taxation up to the level beyond which it would ruin its own purpose, and over and above that by borrowings, to be repaid from the development of our unlimited national resources over a period of time."

Municipal Finances

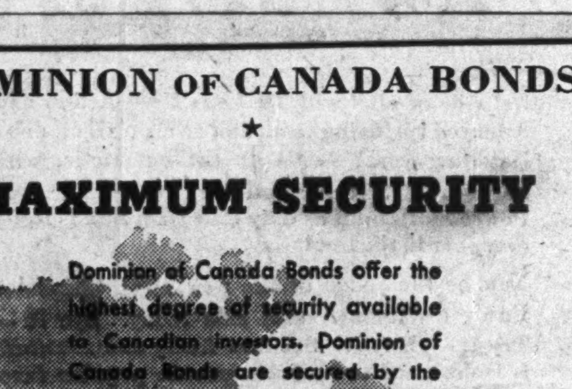
Pembroke, Ont., is calling for redemption on Jan. 15, 1941, total of $61,846 debentures. The debentures are portion of a large principal amount dated Oct. 12, 1938, in accordance with a plan of refunding carried out in 1938. Normal maturity on the issue is 1941-43.

• • •

Moncton, N.B., reports tax collections totalling $752,111 to Oct. 31, up $35,000 from the same period of 1939. Collections are within $28,845 of the year's assessment, so C. A. Melanson, receiver of taxes, is optimistic that collections will exceed assessment in 1940 for the sixth successive time.

• • •

York County, Ont., is expected to show a $23,100 surplus in 1940; according to an interim financial report prepared by Treasurer W. W. Gardhouse. Controllable expenditures are 11.7% underspent for the first ten months of the year, while revenue already is 116% of the amount estimated for the entire year. A surplus this year would be the eighth successive year in which one was shown.



DOMINION OF CANADA BONDS

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Dominion of Canada Bonds offer the highest degree of security available to Canadian investors. Dominion of Canada Bonds are secured by the whole resources of this great nation—natural, industrial and financial. They are secured by a record of great achievement in the past—and by the prospect of a still greater Canada in the future.

Our nation-wide facilities for the purchase and sale of Dominion of Canada Bonds and War Loans are at the disposal of investors at any one of our Branch Offices throughout Canada.

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Imperial Bank Assets Higher

Profits About Same as 1939 — Tax Charges Heavy

Gross assets of $191.4 millions, a new high record, are reported by the Imperial Bank of Canada in its annual financial statement for the year ended Oct. 31. Despite an increase of $161,998 in taxes, profits are maintained almost at the same level as a year ago.

Net profits for the year amounted to $961,018 after provision for Dominion and provincial income and corporation taxes. This compared with $966,259 in the previous year.

The amount written off bank premises was increased $50,000 to $150,000 but the reserve for contingencies was $50,000 lower at $100,000. Dividends in each year took $700,000.

Cash Holdings Higher

Among the assets cash on hand and on deposit with the Bank of Canada rose $3 millions to $18 millions while other assets, the equivalent of cash, were $3 millions higher at $14.1 millions.

Quick assets including all cash items were $2.3 millions higher at $104.9 millions and the ratio of quick assets to deposits was approximately 60%.

A notable change in the holdings of Government bonds was an increase of $12 millions in short-term issues to $37.8 millions and a decline of $15 millions to $29 millions in long-term issues.

Current loans were up about $3.8 millions, reflecting more active business conditions but call loans were down $1.6 million.

A decline of $7 millions in public savings deposits is attributed to subscriptions by the bank's depositors to the second war loan in the closing weeks of the Imperial's year.

Important items in the earnings statement and balance sheet follow:

Profit and Loss Account
Years Ended Oct. 31

	1940 $	1939 $
Net profits*	961,018	966,259
Dividends	700,000	700,000
	261,018	266,259
W/o bank premises	150,000	100,000
Res. for conting.	100,000	150,000
Balance forward	11,018	16,259
Previous balance	665,634	649,375
Total forward	676,652	665,634
Earns. per share‡	13.72	13.80

*After deducting Dominion and provincial taxes of $487,883 in 1940 and $325,885 in 1939, and contributions to staff pension and guarantee funds of $101,584 in 1940 and $99,689 in 1939.

‡Without deducting item written off bank premises.

Balance Sheet
As at Oct. 31
Assets

	1940 $	1939 $
Cash	18,050,673	15,081,493
Depos. for note issue	258,328	273,843
Due from other bks.	14,124,659	11,130,525
Total cash or equiv.	32,433,661	26,485,861
Investments	72,519,366	76,209,100
Total quick assets	104,963,027	102,694,961
Call loans, Canada	3,588,190	5,200,024
Loans to provinces	487,501	587,928
Loans to municipal.	5,857,901	7,393,784
Current loans*	67,878,159	64,080,746
Non-current loans	316,813	250,244
Real estate & mort.	380,700	483,948
Bank premises	5,743,114	5,850,776
Letters of credit	2,251,576	1,351,836
Other assets	34,735	65,577
	191,491,715	187,959,829

*Canada.

Liabilities

	1940 $	1939 $
Notes in circulation.	4,980,000	5,307,515
Depos., Dom. Govt.	11,998,310	12,006,062
Depos., Prov. Govts.	11,740,384	10,327,136
Demand deposits	49,262,273	39,783,818
Savings deposits	92,452,785	99,453,736
	165,453,752	161,570,752
Due other banks	1,235,315	1,023,200
Due bks. ex-Canada	1,718,273	2,864,566
	2,953,588	3,887,766
Total deposits	168,407,338	165,458,517
Letters of credit	2,251,576	1,351,836
Paid-up capital	7,000,000	7,000,000
Reserve fund	8,000,000	8,000,000
Divds. declared and unpaid	176,149	176,326
P. & L. balance	676,652	665,634
	15,852,801	15,841,960
	191,491,715	187,959,829

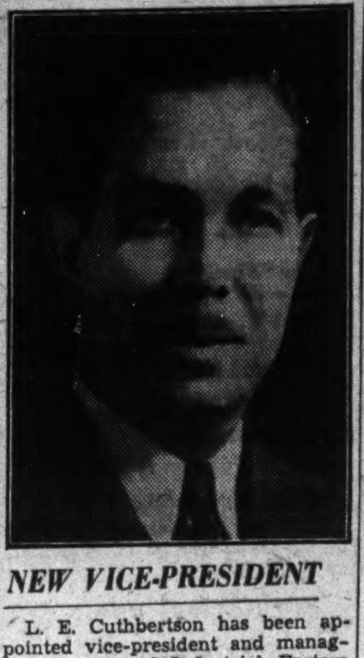
Supervision of Loans Extended in B. C.

Supervision of borrowing by B. C. municipalities has been extended by the Dept. of Municipal Affairs, according to E. H. Bridgman, deputy minister, speaking before the Pacific Coast division of the Investment Dealers' Association of Canada. The deputy recalled incidents in B.C. municipal history to demonstrate the need for supervision of borrowing.

In the past, the deputy points out, some "ridiculous" situations had developed—such as 50-year debentures for roads. In many cases capital debts are still being paid long after the original improvements have been replaced.

FANNY FARMER EXTRA

Fanny Farmer Candy Shops, Inc. has declared an extra of 25 cents per share, payable along with the regular quarterly dividend of 37½ cents per share on Dec. 30, to shareholders of record Dec. 5. Both payments are in U.S. funds. An extra of like amount was paid Dec. 20, 1939.



NEW VICE-PRESIDENT

L. E. Cuthbertson has been appointed vice-president and managing director of Industrial Factors Corporation Ltd., Montreal. Mr. Cuthbertson had 25 years, with the Canadian Bank of Commerce in Canada, New York, Havana and Mexico City, and since 1928 has been assistant vice-president of Industrial Acceptance Corp. and manager of the Toronto Branch.

Can. Machinery Enters Market

$650,000 of Securities Offered By W. C. Pitfield and Co.

From Our Own Correspondent

MONTREAL.—W. C. Pitfield & Co. is making a publicity offering of $350,000 of first mortgage collateral trust bonds of Canada Machinery Corp., at par and accrued interest, as well as $300,000 of 6% convertible 15 year notes of the same company at 95 and accrued interest.

Of the bonds offered, which are payable as to interest and principal in Canadian funds, $150,000 are short-term serials maturing $30,000 annually from Nov. 1, 1941-5, and carry a coupon of 4%, the balance mature Nov. 1, 1954, and pay 5%.

The trust deed provides for a sinking fund on the 5% bonds due 1954, to commence Nov. 1, 1945, $10,000 per annum.

The convertible 15-year notes which are offered at 95 carry a bonus of 10 common shares for each $1,000 principal amount. The notes are convertible at any time prior to redemption at the rate of eight shares of common stock for each $100 principal amount of notes.

The notes also carry an annual sinking fund to commence Nov. 1, 1945, amounting to 3% of the total issued less the amount converted.

Build Machine Tools

Canada Machinery manufactures in its plant at Galt, Ont., a wide variety of machine tools, wood-working tools, and a variety of special machines for the Canadian automobile industry. Its subsidiary, Sandilands Manufacturing Co., manufactures patented, high pressure, high temperature valves and fittings used where hydraulic pressure is involved.

The company reports a rather wide range of earning power of late years, with an average per annum available for bond interest, depreciation, and taxes, of $115,359. In the last complete year, the 12 months ended Jan. 31, 1940. gross revenue was $128,630, provision for depreciation $21,962, and balance for bond interest and taxes $106,668. For the eight months ended Sept. 30, 1940, the company earned $227,738, against which depreciation reserve totalled $17,800, leaving a balance $209,938.

Effect of E. P. T.

In connection with the Excess Profits Tax, the auditors point out that if the Income Tax Department allows the company 5% on capital and surplus for the eight months period to Dec. 30, 1940, the amount payable in income and "excess" profits taxes would be approximately $162,000 after interest and depreciation. If the allowance was 10%, the amount payable will be approximately $152,000.

Issued capital under the new set-up will include $350,000 of first mortgage bonds, $300,000 of convertible notes; $31,200 of 7% preferred stock and 24,000 shares of no par value common stock.

Shareholders at a special meeting recently adopted the financial provisions as presented and outlined in The Financial Post. A new board of directors was elected as follows: Charles H. Easson, president, Toronto; Hugh Mackay, vice-president; J. C. Scanlon, general manager; J. G. Gibson, K.C., Toronto, secretary; A. S. Torrey, Montreal. T. P. Murray continues as treasurer. Mr. Easson was formerly vice-president.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-39:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940:												
Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Aug.	98.5	15.3	68.4	104.4	76.9	150.1	120.3	107.8	48.6	72.1	37.1	76.0
Sept.	107.0	16.5	61.0	120.9	81.9	163.1	124.9	121.0	51.3	76.0	39.3	83.2
Oct.	105.1	16.1	79.3	112.0	81.5	162.9	124.8	123.6	51.1	75.2	38.8	81.4
Weekly Figures:												
Nov. 7	107.4	16.7	68.1	111.2	81.9	162.7	128.4	126.2	50.7	74.9	38.8	81.7
Nov. 14	109.2	17.1	70.1	109.4	82.8	162.3	134.9	129.7	51.5	76.0	39.9	82.9

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Nov. 19	104.96	108.53	71.86	23.15
Nov. 18	105.26	110.01	71.88	23.68
Nov. 16	104.86	109.70	71.63	23.76
Nov. 15	105.01	109.86	71.65	23.56
Nov. 14	105.50	110.49	72.17	23.74
Nov 13	105.83	110.69	72.32	23.78
Month ago	102.80	103.51	68.80	22.01
Year ago	123.76	117.28	88.50	30.25
High 1940	128.84	123.80	88.97	33.31
Low 1940	86.00	77.34	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	30 Ind.	30 Chd.	10 Pprs.	15 Golds
Nov. 19	56.1	70.5	65.7	88.06	80.53
Nov. 18	56.0	70.8	65.9	88.98	80.09
Nov. 16	56.1	70.9	65.9	89.57	79.77
Nov. 15	56.4	71.2	66.3	92.60	80.16
Nov. 14	56.5	71.6	66.6	94.45	80.83
Nov. 13	56.5	71.9	66.8	95.63	82.20
Month ago	56.0	68.9	64.5	85.66	76.00
Year ago	66.1	86.0	79.4	124.30	97.79
High 1940	69.2	92.2	84.4	152.63	100.81
Low 1940	50.7	56.0	54.7	66.44	65.16

Union Gas Net Jumps 60%

Six-month Net After Higher Taxes Not Yet Determined

An increase of over 60% in earnings is reported by Union Gas Co. of Canada and subsidiaries for the six months ended Sept. 30, last, compared with the same period of 1939. This period represents the first half of the company's year.

The jump is officially credited to increasing demand of war industries as well as domestic consumers. Net earnings of $320,011, after all charges except income tax and "excess" profits tax, compare with $198,326 in the 1939 period.

Profits in the 12-month period ended Sept. 30 totalled $1.5 million—up $309,000 or 25% from the previous year.

Taxes Jump

Provision for taxes will be "very much greater," it is stated, during the current fiscal year than in the period ended March 31, last. Net result after this provision has not been determined yet.

Gross revenue of the companies depends largely on the volume of gas sold for househeating purposes. The higher earnings so far this year are due largely to the better demand from this source, because of the colder weather prevailing. A further increase is reported in the number of active meters. Demand of war industries is increasing steadily.

Seek to Lighten Burden on Real Estate

Seeking to lighten the tax burden on real estate, a conference of representatives from numerous interested bodies recently was held in Toronto. It is proposed to forward a memorandum of recommendations to the Ontario Government and the municipalities.

The conference named a special committee to prepare the memorandum, with Charles E. Purnell, Hamilton, president of the Ontario Association of Real Estate Boards, elected chairman. John B. Laidlaw, Toronto, is secretary. The permanent committee is to consist of Mr. Purnell, Harold Manning, K.C., and Col. Rexford of Montreal. The latter is chairman of the Taxation Committee of the Canadian Chamber of Commerce.

Foreign Exchange

During the week Nov. 12 to Nov. 18 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Nov. 18

Australia	3.58	N. Zealand	3.81
India	.3369	S. Africa	4.47
Japan	.2605	Hong Kong	.2631

Market Opinions

With the marked slowing down of speculative interest, comment from the United States returns to its former cautious tone.

Barron's, N.Y. (The Trader)—Real deflationary fears—as well as inflationary—are creeping into the speculative consciousness. The result is, when coupled with steady selling by the English and the absence of important buying, to corrode the infant optimism born of a scheduled $20,000 millions national debt increase. Sentiment has become much more divided. Though vanishing interest rates and low credit totals refute the likelihood of a serious break, the buying eagerness—which produces a lasting rise in stocks—may well remain in abeyance until the tax situation becomes clearer.

• • •

Brookmire Counselor, N.Y. — The main favorable aspects of the present situation are the low level of stock prices, measured by any ordinary yardstick, and the potentialities for eventual further expansion in business and profits. The chief drawback is the difficulty of telling just what turn the war may next take. Investors must recognize the possibility of a market reaction if shocks from abroad should occur, particularly after the substantial rise that has been achieved. Despite any temporary unsettlement that might occur, however, a balanced viewpoint suggests that clients keep well-diversified portfolios intact.

• • •

Barron's, N.Y. (The Dow Theorist)—For the time being, at least, the rise which got under way so briskly two days after the election appears to have petered out. There is nothing in the pattern of the averages, as yet, to indicate whether the end of the broad rise which started in June, has been reached, or is in sight.

• • •

Journal of Commerce, N.Y.—Tax questions will doubtless exert a powerful influence upon the course of security prices over the next few weeks.

Between now and the end of the year, selling to establish tax losses will assume considerable proportions. Higher income tax rates make it more desirable than ever that investors realize losses to offset capital gains realized earlier in the year, or where possible establish net long term capital losses to reduce their income tax liability. Selling of this kind is already beginning to make its appearance not only in the stock market, but also in the market for lower priced bonds.

City of Montreal Seeks Power Deal

From Our Own Correspondent

MONTREAL. — Quebec's Public Service Board is being asked to make a ruling on the long drawn out negotiation respecting renewal of contract between the City of Montreal and Montreal Light, Heat & Power Cons.

There has been no contract between the city and the company for the past 10 years. Delivery of electrical energy for lighting of streets and municipal buildings and for power for buildings and workshops has been on a temporary basis.

The city's light and power bill in the last fiscal year came to $1,084,221. However, against this should be deducted the power company's contribution of $350,000 to the municipal coffers in virtue of a clause in the Montreal Bill adopted in that year by the Quebec Legislature.

Basis of Enquiry

The Public Service Board has been asked to conclude the contract and established rates relative to:

1. Lighting of streets, public places and monuments "unless the company consents to a contract permitting the city to realize the saving of $250,000 which the company representatives have already accepted in principle."
2. Lighting of municipal buildings and other connected services.
3. Motive power for the buildings and municipal workshops.
4. Motive power for the pumps.

Merger Plan Hits Snag

Auditors See Nine Mills Increase For New Toronto

Prospects of a nine mill increase in taxation for New Toronto, Ont., is the present "bone of contention" in merger plans for three Toronto suburban municipalities, according to W. H. Brown, secretary of the Amalgamation Committee. The jump would be necessary if taxes are determined on an equalized assessment basis, while at the same time it would mean decreases of 13 and 11 mills for Long Branch and Mimico, respectively.

The figures are obtained from a preliminary report presented by auditors who have been studying the statistical effect of an amalgamation. The equalized assessment would be followed to tax the combined municipalities for general and school rates. Annual debenture payments, however, would be treated as an area tax for each section of the proposed city.

United Fuel's Profits Triple

Earnings For First Half of Fiscal Show Marked Rise

Earnings of United Fuel Investments Ltd. and subsidiaries of $300,414 for the six months ended Sept. 30, last—the first half of the current fiscal year—were almost three times as high as the figure of $108,762 for the same period of 1939. The figures are after all charges, except income tax and "excess" profits tax. Taxes will be substantially higher this year than last, but the amount has not been determined.

Major portion of the increase was from the coke company, due mainly to larger volume of coke sales at higher average prices, compared with 1939. Increased costs per ton of coal charged into the ovens offset to some extent the greater revenues derived from higher coke selling prices.

Gas Business Better

Earnings of the gas distributing subsidiaries increased substantially, due mainly to a larger volume of manufactured gas being sold for industrial purposes at higher average selling prices. Volume of domestic gas sales also was higher, and there was a further increase in number of active meters.

Larger volume of coke sales is attributed in part to consumers purchasing their requirements earlier this year, in anticipation of increased prices during the coming winter. It is anticipated, therefore, that volume of coke sales during the balance of the current fiscal year will be reduced from that of last year, with a resulting drop in net revenue during that period.

Cost per ton of coal purchased by the company has advanced as a result of increase in the prices of coal at the mines, U.S. exchange costs and the imposition of a war exchange tax of 10% on goods (including coal) imported from the U.S.

Canadian Locomotive 6% First Mtge. Bonds Due 1953

1940 profits, we are reliably informed, should exceed 1938 in which period Bond interest was covered 4.54 times. Extensive plant additions, the major cost of which will be borne by the Government, are being made to handle greatly increased business. Annual interest of 6% is payable July 1st, and it is our opinion that a payment on the accumulated arrears of $240.00 per $1,000 Bond could be considered in view of better earnings. We suggest the purchase of these Bonds for appreciation and attractive yield.

Current market 85 to 88. *Analysis on request.*

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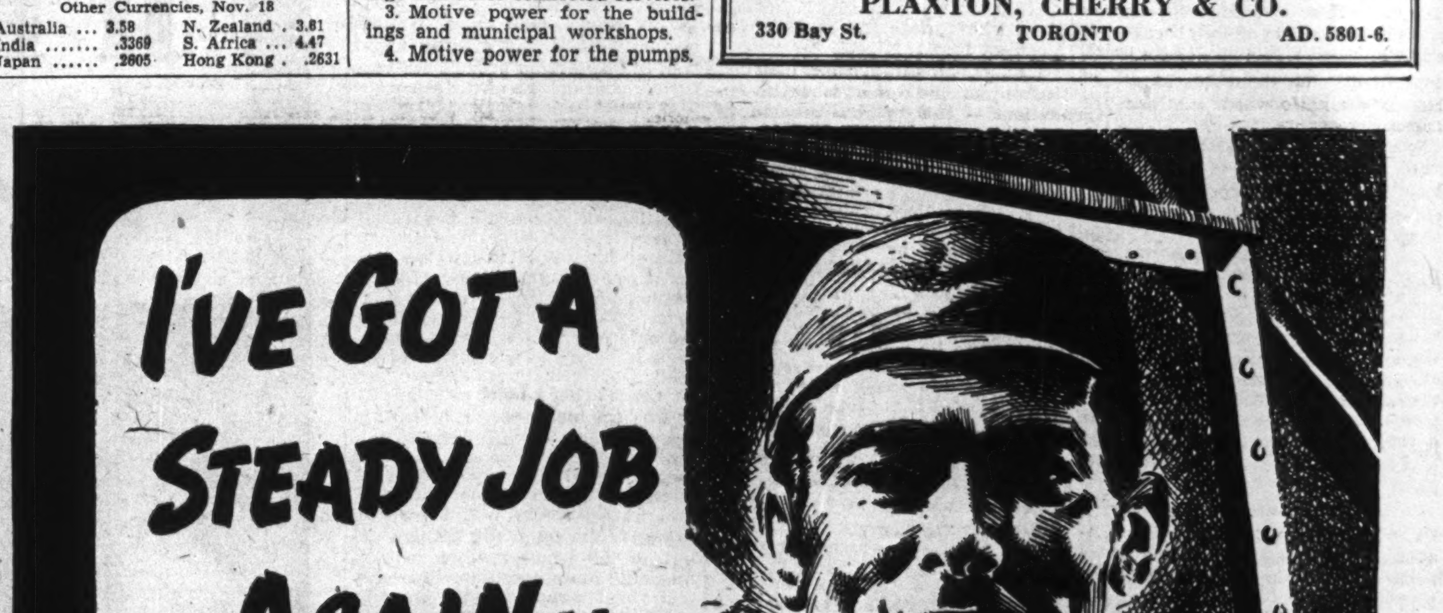
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..and I'm building a home of my Own!

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Now is the time to build. Under the National Housing Act, interest rates are low — only a small investment is needed. Materials cost less than they will later on. And you can pay for your home just as you pay rent now — in small regular monthly payments. But — unlike rent — every dollar you invest is buying a home for your family, helping to assure you of after-war financial safety.

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Ten/Test insulation is built right into many of these homes. The same Ten/Test lifetime insulation which is used in so many of the most expensive homes in Canada. That means low upkeep, low heating costs. For Ten/Test shuts out cold, cuts heating costs as much as 30%. Provides durable, permanent insulation as long as the house endures.

Don't say you can't afford to build. Find out. Phone any Ten/Test dealer. Or write to International Fibre Board Limited, Ottawa, Ontario, for full information.

3 Jobs in 1

Ten/Test does three jobs at one low cost. Ten/Test insulates. Stops cold air seeping in. Adds to your home's structural strength. Some forms of insulation are costly, some cheap — but only RIGID fibre board insulation does all three of these necessary jobs. And remember — Ten/Test is not an added material. It replaces less efficient materials.

TEN/TEST
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Bond Markets

Markets Gather Strength For Third War Loan

1940 Provincial Financing Believed at End—Investors Look to January, With War Offering Likely and Sirois Conference Assured

Investors are looking now beyond 1940 to Jan., 1941.

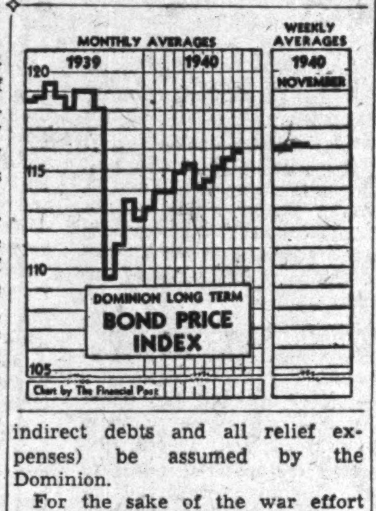
The next important financing expected is the Third War Loan, which is expected shortly after the new year comes in. Financing carried out by Quebec and New Brunswick during the past week is believed to have culminated provincial borrowing for 1940. Since the first of August, every province but Alberta has concluded a financing deal. Markets will be given a breathing space in which to consolidate and prepare for the war issue.

January means, also, the conference on the Sirois report between Dominion and provincial representatives. This meeting potentially has far-reaching adjustments for the bond picture. Western provincial bonds stand to gain the most from adoption of the Sirois recommendations, and these issues continue to dominate the Canadian bond markets with further substantial gains during the past week.

Since the Ottawa announcement of the conference quotations of Alberta and Saskatchewan issues have been marked up 1½ to 7 points. Traders report demand exceeding the supply, with offerings scarce and quotations in many cases regarded as only nominal. On this basis, the jump probably is even greater than indicated by the quotations.

Western municipal issues have also received a fillip, and debentures of such cities as Regina and Saskatoon are in demand. The high-grade government market remains strong, and fractional gains are reported general during the past week. Corporation bonds are in little demand, and prices are mixed.

* * *



Quebec Loan Response

Response to the Province of Quebec's offering of $21.6 millions of debentures has been favorable. Books of the syndicate closed a few days after opening, and a relatively small proportion of the loan remains to be sold.

If comparison on such a matter is possible, it can be stated that the current loan has been much more of a success than its predecessor. The preceding issue, sold in February, was admittedly sticky. The large size of the issue ($40 millions offered publicly) would lengthen the time required to sell it, but the conclusion that a much better investor sentiment now prevails in regard to Quebec securities seems justified.

* * *

Better Sentiment Seen

The recent loan was entirely refunding in character, which also predisposed the investor in its favor, while the February flotation was sold to consolidate the indebtedness of the Duplessis regime.

Probably most important of all was the psychological factor. The earlier issue was offered by a Government that had not had the opportunity to show what it could do with the Province's critical financial problems. Since that time the year-old administration has convincingly demonstrated that it intends to adhere to straightforward and sane financial procedure.

Nothing miraculous has been promised, but the sincerity of the Godbout Government has been illustrated in the financial as well as other fields.

* * *

Restoring Credit

Hon. J. Arthur Mathewson, provincial treasurer, was able to provide the underwriters with an encouraging piece of news for their offering prospectus. An over-all improvement of $18.4 millions for the first three months of the year over the same period last year made the debentures more saleable.

The institutional investor did not pay as great a part in the flotation as usual. The small investor was active in subscribing, particularly the French-Canadian buyer. The loan was widely distributed, thereby adding to the measure of its success.

Results of the operation reflect favorably upon the improved credit position of the Province. They indicate the corner has been turned. With a continuation of the same effort it has shown since coming into office, the Quebec Government can go a long way to restoring the Province's credit standing to its former high level.

* * *

From the Moth Balls

The announcement of Prime Minister King that the Sirois Commission's report has been dug out of the moth balls appears to be regarded by investors as a move in the right direction. It is something which it has been felt could not await peace, for—whether Ottawa liked it or not—recommendations of the report have been automatically implementing themselves.

Essence of the report is that the taxing authority of Ottawa be increased by giving sole right to the Dominion for revenues for income and corporation taxes and succession duties; and that certain burdens of the provinces (such as direct and indirect debts and all relief expenses) be assumed by the Dominion.

For the sake of the war effort Ottawa already has demanded and obtained greater tax revenues. The outstanding examples are the sharp increases in both income and corporation taxes — which are at the point where there is some feeling that provincial revenues are being adversely affected as a result. Also, at the present rate of decline in costs, it may not be long before there will be no big relief burden for Ottawa to assume. So far as the Dominion assuming direct and indirect provincial obligations, it is not beyond the realm of possibility that—without action on the report's recommendations — this might become urgent anyway in the ordinary course of events before the war is over.

The situation which could make this necessary would be further tax increases on the part of Ottawa—increases which might divert provincial revenues directly to the Dominion treasury. Another factor is the increasing possibility that, in order to conserve badly needed U.S. dollars, some form of gasoline restriction may be found necessary if the war is prolonged. This would hit provincial revenues, too, as gasoline taxes are a major source of income.

* * *

Municipalities Gain

Adoption of the major recommendations of the Sirois Commission report would result in net cut of about $20.4 millions in expenses of municipalities, according to the Commission's estimates. The major saving would be in relief, to be assumed by the Dominion Government. While this may not be important now, due to the sharp decline in relief expenditures in recent months, it is an important factor to be considered in the postwar readjustment when unemployment may again become a pressing problem. Local governments would surrender certain revenues, such as local income taxes, to Ottawa.

Quebec municipalities would receive the most benefit, with total annual saving of nearly $13 millions. Next, in proportion to population, would be Manitoba with saving of almost $2.5 millions. Saint John, N.B., would be adversely affected through the loss of $129,000 annual income from local surtax.

* * *

Bond Index

The D.B.S. index of long-term Dominion of Canada bonds at 116.3 for the week ended Nov. 14 was up 0.2 points from the previous week. It was 3.2 points higher than in the same week of last year, and up 0.3 points from the same week of last month.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Nov. 8-14	Preceding week Nov. 1-7	Weekly average year ago
Price	116.3	116.1	113.1
Yield	70.6	70.8	74.5

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp ...	6%	1942	Dec. 31	105
Drilling Cont. ..	5½%	1943	Jan. 15	100
Eastern Car	†6%	1952	Jan. 1	105
Mississippi R. Pwr.	5%	1951	Jan. 1	105
Nan.-Dun. Util.	*5½%	1964	Jan. 2	104
Pwr.	5%	1951	Jan. 1	105
Nan.-Dun. Util.	*5½%	1964	Jan. 2	104

†Drawn by lot $44,000.
*For sinking fund $7,000.

Stock Issues:				
Stand. Steel	Pref.		Jan. 2	†50

†Plus accrued dividend.

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Barclays Bank Business Good

Final Results Best on Record Says General Manager

With the partial disruption in certain directions owing to the war in the past year and as a natural consequence of it, Canada's trade with other parts of the British Empire and with the United States developed rapidly, H. A. Stevenson, vice-president and general manager of Barclays Bank (Canada) told the annual meeting of shareholders in Montreal this week.

"This and the resulting impetus to domestic enterprise created favorable opportunities to extend the bank's activities and the final results achieved surpassed those of any previous year to a notable degree.

"The general progress of the institution was thus well maintained and can be described as eminently satisfactory," he added.

The bank does not issue an earnings statement.

A. A. Magee, president, in reviewing the situation stated that Canada against a background of abundant natural resources had made an effective contribution to the war operations. Her effort, he said, however, "will demand a tremendous sacrifice financially and otherwise on the part of all Canadians. It behooves us therefore to husband and conserve our personal and national resources, thereby making them available for Government financing."

Comparisons of the bank's figures for a number of important items as at Sept. 30 when its fiscal year closes follow:

	Sept. 30 — 1940 $	1939 $
Total assets	25,774,349	26,015,312
Current loans	2,253,148	1,978,381
Call loans	228,125	322,644
Investments	12,046,514	11,504,071
Savings deposits	6,271,954	8,922,669
Demand deposits	4,592,195	3,488,308
Note circulation	452,085	429,480
Capital paid-up	1,500,000	1,500,000
Reserve	750,000	750,000

Bonds Climb on Report Of Sirois Plan Action

Bond investors have received news of the January conference to consider action on the Sirois report on Dominion-provincial relations by sending prices of Alberta and Saskatchewan bonds slithering upward. Average price of seven representative Saskatchewan issues climbed from about 82.36 on Oct. 23—when The Financial Post announced action on the report was probable—to 86.86 by Nov. 18.

During the same period, average price of six representative Alberta issues advanced from 61.17 to 66.75.

Gains ranged from seven points on the 4½% Alberta issue, maturing in 1956, down to 1½ points on the 4½% Saskatchewan issue maturing in 1951. Quotations on these issues on Nov. 18 were 64 and 87, respectively.

During the same period, prices of other western bonds showed practically no change. Manitoba issues were ½ a point to a point higher, while only changes in B.C. prices were fractional losses.

The following table shows the movement in prices of Alberta and Saskatchewan issues recently:

	Oct. 23	Nov. 18
Saskatchewan:		
4% of 1949-54	75	80
4% of 1955-60	74	79
4½% of 1951	85½	87
4½% of 1960	77½	83
5% of 1958	83	88
5½% of 1952	89	94
6% of 1952	92½	97
Alberta:		
4% of 1949-54	55½	61
4½% of 1951	62	67
4½% of 1956	57	64
5% of 1959	59	66
5½% of 1952	65½	70
6% of 1947	68	72½

United Farmers Expands Service

Three New Warehouses Opened in Ontario Centres

A new expansion policy has been adopted by the United Farmers Cooperative Co., H. B. Clemes, general manager, and H. H. Hannam, secretary, report. A district co-operative warehouse has been established at Peterborough, while a new one has just been opened at Barrie. Construction of a third one at Perth is ready to start.

Each unit will have a feed plant, general warehouse for farm supplies, community hall, rest room and parking space.

In addition to the regular annual dividend of 25 cents per share paid Nov. 16, the company has included in the accounts for year ended Sept. 30, last, patronage dividends to purchasers of Co-op oils totalling $4,401.

N.B. Issue Sold For Refunding

Nov. 15 Maturity Met by Debenture Sale and Bank Loan

From Our Own Correspondent

MONTREAL. — New Brunswick has met its Nov. 15 maturity of $2 millions of 3% debentures chiefly by the issue of $1.8 million of 4% Canadian-pay, 20-year serial debentures. The maturing debentures were payable in U. S. funds. The difference between the amount of the refunding issue and the $2 millions maturity, plus premium on U. S. currency, was financed by a bank loan.

The debentures are being offered by a syndicate, headed by Dominion Securities Corp. and Bell, Gouinlock & Co. at par and accrued interest, to yield 4% to maturity. They mature serially in annual amounts of $90,000 from Nov. 15, 1940-60.

Institutions Buy Bonds

Institutional investors have subscribed for the major part of the loan, reported to have been $1.2 million, while private investors have taken up a proportion of the remainder.

Hon. J. J. Hayes Doone, provincial secretary-treasurer, states that while financial statements for the year ended Oct. 31, 1940, are not yet closed or audited, it is expected that there will be a surplus on ordinary account and a decrease in debt during the year.

The Government intends to take any measures necessary to ensure a surplus on ordinary account in the year ending Oct. 31, 1941, Mr. Doone states. All capital expenditure will be eliminated "except for those purposes which are deemed absolutely essential."

Bond Tenders

5 p.m., Dec. 4, Shawinigan Falls, P.Q.—$109,000, 4%, dated Nov. 1, 1940, redeemable serially from Nov. 1, 1946 to Nov. 1, 1955. A. J. Meunier, sec.-treas.

Says Timber Makes Possible High Speed on War Work

From Our Own Correspondent

VANCOUVER.—Achievements of the Canadian lumber industry in 14 months of war were spotlighted here by H. R. MacMillan, timber controller and chairman of the new war planning committee at Ottawa.

Addressing 500 lumbermen and other businessmen, Mr. MacMillan said that the use of lumber had made it possible to complete the hurry-up job of defense and air training construction finished on time at a minimum cost.

If steel had been used the programme would have been delayed until next spring, said Mr. MacMillan. And the use of wood released vast quantities of imported material such as steel for essential purposes for which it could not be replaced by lumber.

He told how Ottawa officials had specified steel and brick and composition material for barracks and similar jobs. "Don't blame the officials for such stupidity," he said. "Blame society for allowing such officals to be appointed."

Huge Requirements

Up to Nov. 1 Canada's lumber industry had provided 369 million board feet of lumber for Government requirements in Canada, for the construction of 5,000 buildings in 160 different localities. The industry had been called on to spur production to six or eight times its normal requirements.

Peak employment on Government building projects had been reached in August-September with 120,000 men. It would be down to 40,000 by December.

Speedy Jobs

As an example of the speedy and efficient building job performed, he said that in Kingston six hangars and 33 separate buildings had been completed in 90 days; in Truro, where only a shack and warehouse stood on Aug. 15, 340 buildings had been erected by Oct. 26.

For the Truro job 21 million feet of lumber had been ordered and delivered in 21 days—845 carloads of lumber and millwork—a carload of lumber used every 30 minutes, a carload of nails every three days. Boss of the job had been a Royal Canadian Engineers captain only 28 years old.

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Breakfast - 35c
Delicious full-course Luncheon and Dinner 65c

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Vernon G. Cardy, President. Ronald P. Peck, Manager.

Company Reports

International Milling

Earnings of International Milling Co. for year ended Aug. 31, last, were the best on record. The company operates mills in Canada and the United States with total capacity of 26,000 barrels flour and 1,800 barrels of cereals daily. Capacity of elevators total 17.5 million bushels.

Net profit of $2.2 millions for the 1939-40 period was up about $252,000 from the previous 12 months. The strong working capital position was nearly maintained, figure of $10 millions at Aug. 31, last, comparing with $10.7 millions a year previous.

Consol. Income and Surplus Account
Years Ended Aug. 31

	1940 $	1939 $
Net profit	2,197,156	1,945,485
Less: 1st pref. divd. ..	277,426	287,616
2nd pref. divd.	......	3,464
Common divd.	686,777	420,114
2nd pref. of subsid.	762,619	......
Surplus for year	580,334	1,234,291
Add. Prev. surplus ..	7,733,966	6,676,280
Pens. res. restored to surplus	200,000	......
Less: Com. retire.	79,843	75,330
Ret. pref. prem.	8,321	3,798
Amt. for pref. red. .	......	30,216
Candn. exch. res. ..	153,679	67,261
Pension fund	200,000	......
Surplus forward	7,962,456	7,733,966
Earnings per Share:		
5%—preferred	$39.67	$33.92
Paid	5.00	5.00
Working Capital		
Current assets	20,308,470	14,384,416
Current liabilities	10,284,472	3,613,906
Working capital	10,023,998	10,770,510
Balance Sheet Changes		
Cash	2,857,937	2,090,288
Accts. receivable	3,066,423	2,824,589
Inventories	14,236,645	9,326,328
Real estate	13,655,870	12,128,045
Notes payable	7,200,000	1,472,500
Accts. payable	1,268,372	871,624
Taxes accrued	1,270,776	1,009,164
Bond instal. payt. ...	50,000	......
Res. for Can. exch. curr. assets	361,416	67,261
Funded Debt:		
Buffalo property ...	1,500,000	1,500,000
Saskatoon property.	450,000	......
Pension reserve	......	200,000
Res. for Can. exch. non-curr. assets	204,419	......
Capital stock:		
5% preferred	5,537,300	5,734,500
Common	2,500,000	2,500,000

Mexican Light

Higher wage costs resulted in a drop in earnings of the Mexican Light & Power Co. in September, compared with the same month of 1939, The Financial Post learns. Gross earnings were higher, but this was more than offset by the increase in expenses, which include a proportionate charge for the increased expenses in 1940 under the new labor contract—the charge to be distributed over the last four months of the year.

Increase of nearly 48% is reported in net earnings for the nine months ended Sept. 30. Expenses were up, but the jump in receipts more than offset this.

Earnings and Expenses

9 mos. ended Sept. 30:	1940 $	1939 $	Incr. %
Gross earnings ..	5,956,052	5,372,501	10.9
Less: Expenses .	4,656,498	4,493,869	3.6
Net earnings ...	1,299,544	878,632	47.9
September:			
Gross earnings .	724,641	662,297	9.4
Less: Expenses .	610,972	526,496	16.0
Net earnings ...	113,669	135,801	*16.3

*Decrease.

United Farmers

Higher earnings are reported by United Farmers Co-operative Co. for year ended Sept. 30, last, compared with the previous 12 months. After provision for substantially increased taxes, however, net profit is lower. Total sales for the year are reported at $9.7 millions.

Income and Surplus Account
Years Ended Sept. 30

	1940 $	1939 $
Net trading earns.	......	84,028
Less: Depreciation ...	......	13,172
Bad accts. res.	......	8,001
Income tax	20,700	8,300
Net profit	48,663	54,555
Less: Dividends	17,515	17,515
Common dividends .	4,401	......
Surplus for year	26,747	37,040
Add: Prev. surplus ..	101,663	64,623
Surplus forward	128,410	101,663
Earnings per Share:		
Common	$0.69	$0.78
Paid	0.25	0.25
Working Capital		
Current assets	620,419	659,981
Current liabilities	417,299	454,130
Working capital	203,120	205,851

Consumers' Gas

Total revenues of $7.3 millions for the Consumers' Gas Co. of Toronto for year ended Sept. 30, 1940, are off about $39,000 from the previous year. Operating expenses were heavier, due primarily to additional burdens imposed by the war, while taxes also are up.

Expenditures on repairs and renewals totalled $441,224, compared with $511,545 in the previous 12 months.

Working capital is slightly lower. Cash was substantially reduced, while accounts receivable and inventories were higher. Accounts payable are down, with provision for taxes up.

Income and Surplus Account
Years Ended Sept. 30

	1940 $	1939 $
Gross earnings:		
Gas sales	5,285,787	5,393,008
Residuals	1,685,445	1,640,445
Merchandise	290,093	269,646
Misc. revenue	9,792	7,016
	7,271,117	7,310,115
Less: Exps. & taxes ..	5,334,324	5,148,301
Net oper. earns.	1,936,793	2,161,814
Add: Int. earned	84,087	88,472
Net profit	2,020,880	2,250,286
Less: Dividends	1,455,520	1,455,520
Surplus for year	565,360	794,766
Trans. from res. fund	537,347	298,308
Trans. to renewal fund	1,102,707	1,093,074
Earnings per Share:		
Earned*	$10.85	$11.95
Earned†	6.31	7.95
Paid	10.00	10.00

*Based on net profits, less amount spent on repairs and renewals during the year; the full appropriation to the plant and buildings account is not deducted, as under the company's charter, dividends are a prior charge on earnings.

†Based on net profit, less entire amount of transfer to plant and buildings renewal fund.

	1940 $	1939 $
Working Capital		
Current assets	4,973,965	4,719,635
Current liabilities	1,447,531	1,065,717
Working capital	3,526,434	3,653,918
Balance Sheet Changes		
Cash	14,173	330,098
Accts. receivable	1,013,681	979,701
Inventories	1,927,435	1,390,239
Accts. payable	450,598	524,081
Prov. for taxes	245,520	137,756
Plant, bldgs., renewal fund	7,102,746	6,441,263
Reserve fund	4,955,420	5,492,767
Fixed assets	22,979,253	22,729,681

United Bond

Income from investments held by United Bond and Share Ltd. increased in the year ended Sept. 30 from $13,094 to $15,690, while net profit rose from $9,648 to $11,414.

Earnings on the outstanding common stock amounted to 43 cents in the year under review, against 37 cent in the 1939 fiscal year.

Cash on hand at Sept. 30 dropped to $8,439 from $32,955, while book value of investments is shown at $396,660, against $407,968. Shares of Canadian companies were valued at $210,545, against $132,124; United States company shares at $110,900, compared with $204,072, and Canadian bonds at $74,745, against $71,378.

Income and Surplus Accounts
Years Ended Sept. 30

	1940	1939
Int. & divds. rec.	$15,690	$13,094
Less: Manage. fees	1,661	1,808
Inc. tax res.	1,295	576
Taxes	513	341
Trans. & registrar	312	316
Bank charges	110	29
General expenses	385	376
Net profit	11,414	9,648
Less: Dividends	15,810	15,809
Loss for year	4,396	6,161
Add: Invest. sale loss ...	37,263	19,776
Less: Distrib. surplus ...	195,314	195,314
Prof. & loss bal.	83,209	109,116
U. S. exchange	5,490	30
Balance forward	242,354	278,523

Distillers-Seagrams

Distillers Corp.-Seagrams reports net profits for the year ended July 31, 1940, equivalent to $5.08 a share on the common stock compared with $3.29 a share in the year before.

Consol. Income and Surplus Account
Years Ended July 31
(Expressed in U. S. Currency)

	1940	1939
Sales	$103,231,334	$84,787,807
Less: Cost of goods sold	70,567,135	58,144,839
	32,664,199	26,642,968
Miscel. income:		
Tax refund on 1937 flood loss claim	423,654	......
Other income, discounts, etc.	206,135	149,609
Net revenue	33,293,988	26,792,577
Less: General exps.	18,720,845	16,397,507
Director's fee	1,000	1,000
Exec. salaries	431,937	381,907
Legal fees	271,625	200,317
Interest (net)	213,910	393,879
Depreciation*	163,470	153,166
Loss on cap. assets	406,972	304,567
Loss on invest. ..	95,938	72,023
Inc. & prof. taxes	3,192,319	2,321,898
Prov. for exch. ..	79,174	......
Net profit	9,716,798	6,566,313
Less: Pfd. divds. ..	814,431	832,125
Com. divds.	3,402,640	3,485,290
Surp. for year	5,499,729	2,248,898
Add: Prev. surp. ..	28,367,383	26,561,390
Less: Pfd. retired ..	339,977	442,905
Surp. forward	33,527,134	28,367,383
* Depr. prov. during yr. amounted to .	1,135,886	1,100,178
Of which there was charged to cost of production	972,416	947,012
And bal. as above	163,470	153,166
	1,135,886	1,100,178

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Nov.	....	...	Feb. 14, '41	$40,000,000	99.842	.636%
Provincial—							
New Brunswick	Nov. ...	Dominion Securities Corp., Bell, Gouinlock & Co., and Syndicate	4%	1941-60	1,800,000	*100	.....

*Offering price.

WHY CHOOSE BETWEEN A BIG CAR and ECONOMY?

GET BOTH IN THE NEW MERCURY 8 AT NO INCREASE IN PRICE!*

TIME was when you had to make a choice. You could have size, comfort and style—or you could have economical transportation. But both in the same car? Impossible!

The Mercury 8 has knocked that idea into a cocked hat. In two brief years it has won the enthusiasm of 150,000 owners. And what do they talk about? Bigness and beauty—long, wide, roomy comfort—flashing power and handling ease—a ride that's velvet-smooth. And in the same breath they'll tell you the Mercury gives them 20 to 25 miles per gallon of gasoline.

The Mercury 8 for 1941 is *newly styled*, with swift, air-cleaving streamlines. It's *bigger than ever*, longer in wheelbase and interior dimensions, more massive in appearance. New gear ratios in low and second give this Mercury 8 even *more sensational performance*—faster get-away with no loss of economy. And still *greater comfort, greater quiet* are achieved by softer springs, perfected stabilizer and new engine and body mountings.

Look at the new Mercury—then look at the price tag! Where else can you get so *much* car for so *little* money? And where else can you get the full luxury of modern motoring at such low operating cost?

It's the value of the year. See your Ford-Mercury Dealer today, and drive the new Mercury 8!

CANADIAN CARS FOR CANADA
No cars sold in Canada utilize a higher percentage of Canadian material and labour than those manufactured by Ford Motor Company of Canada, Limited. An estimated 100,000 Canadians derive their livelihood, wholly or in part, from the Company's operations. Canadians who buy Canadian Ford products put their money to work at home.

MERCURY ECONOMY IS 3-WAY ECONOMY!
1. Better Mileage!
2. Freedom from Costly Repairs.
3. More Car per Dollar!

THE 1941 MERCURY 8

*1941 model prices at factory remain unchanged. In some localities, delivered prices are increased approximately 1% due to higher freight costs.

New Streamlined Beauty • Longer Wheelbase • Powerful V-8 Engine • Larger Tires • Seat Cushions of Foam Rubber • Deeper Windows and Windshield • Wide Doors • New Riding Comfort • Broad Choice of Bright, New Colours

The Editorial Page . .

Unemployment Insurance

These are busy days for the National Unemployment Commission. Regulations are being drafted. Hon. Norman McLarty is said to have urged the Commission to open shop, that is, receive contributions, by March 1.

There is one glaring weakness in this advice.

So far, nothing has been done to review and double-check the financial basis upon which the Act is to be operated.

This is a responsibility of the Advisory Committee created by Act of Parliament to work alongside the Commission and make sure it is financially sound. So far, this Committee has not even been named.

When Parliament discussed the Act in the Spring, actuarial experts presented their views before the special committee, and laid great emphasis on the work of this Advisory Committee. They strongly urged that before any contributions were received, this Committee should be set up and should review the financial basis on which the Act is now built.

It would be folly to launch so vast a programme without absolute assurance as to the financial soundness of the plan. So far, this assurance is lacking.

The Same Problem

One thing which has hampered the United States in its vast rearmament programme has been the set-up of its defense administration.

President Roosevelt got vast appropriations of billions of dollars appropriated for war supply. He appointed a defense advisory council. On this council were some of the biggest names in U.S. industry—Knudsen, Stettinius.

Wrongly, the president kept power in his own hands. The defense council had no authority at all except what they got from day to day through the president. That this has been a bad mistake is now generally admitted.

Commenting on this weakness, the current issue of Chemical Industries, leading U.S. chemical magazine, says:

> "Many of us here appear to be lulled into a false sense of security because billions have been appropriated. Dollars, billions of dollars alone will be of no avail.
>
> "The present administration is to be congratulated for asking for these stupendous sums, yet it is tragically failing in its plain duty in not proceeding to establish a real war industries board with a single responsible executive at its head."

This is the same principle which Canadian businessmen want to see established in Canada. Here, many able industrialists have been drafted to important jobs in war supply. But we still lack a single, responsible executive.

In both countries able men are being used to less than their full ability. This is a weak link in the chain we are seeking to forge for victory.

Erudite Nonsense on Gold

"We are hearing," says the Saturday Evening Post, "a lot of erudite nonsense on the subject of the American gold hoard."

Keeping up with the procession, the Saturday Evening Post adds a full page of erudite nonsense to the discussion.

It is erudite enough. No fiat money can be trusted. Gold can be trusted, argues The Post. The gold the American people have is a great economic asset. After the war, if the United States bases its currency on gold, then American money would become the world's premier currency. All banking in the world would be related to it. Great exchange, banking and trade profits would gravitate to the United States.

All that is very simple. All that is very possible. But the Saturday Evening Post, always stupid and blind in such matters, forgets that certain conditions must be fulfilled before Uncle Sam can come into the fulfilment of such a dream.

In the first place, the war must be won—and won by the British, not by the Nazis. If Hitler wins, the gold hoard will be useless; if Britain wins it can be worth 100 cents on the dollar. Is the S. E. P. interested in seeing Britain win or in helping Britain win? There is no evidence that the Saturday Evening Post cares who wins so long as it can reserve the right to snipe at Britain.

The second condition that must be fulfilled is that there be an economic settlement in the peace and a willingness by the United States to pursue those economic policies that will permit a world monetary and commercial system to be established. Will the Saturday Evening Post help to educate the American people to the policies needed? There is no evidence that it is prepared to do it. It has consistently preached the doctrines of economic isolationism that have been the major factor in bringing on the present tragic war.

The $20 odd billions of gold that the United States now owns could ultimately prove to be an enormous factor in world reconstruction after the war. But it is a safe forecast that when the time comes to use it that way, the Saturday Evening Post will be the Battling Obscurantist fighting to protect world poverty.

Our Platform
For Canada

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of non-political industrial co-ordinator with complete authority to direct procurement of munitions and supply.*
4. *Pay-as-we-go policy, in so far as consistent with "total" war. Elimination of public and private waste.*
5. *A national programme for post-war employment and relief problems, along lines of Sirois report.*

Winning the war has become the focal point for national and personal effort in Canada. This requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be obtained by individual effort, freely made.

Strong national leadership will inspire service and sacrifice that will reduce the need for regimentation and compulsion.

Termites and Youth

The termites are at work again.

Their vehicle is the Canadian Youth Congress.

The latest manifestation is a new pamphlet "A 5-Point Programme for Youth," issued by the Congress.

Herr Goebbels himself could not have done a better job to mislead and incite Canadian youth.

Under guise of preserving democracy on the home front it lists a score of "demands" which youth must make of the Government. Most of these are of the rabble-rousing type, based on deliberate or inexcusable ignorance of the true facts.

It tells youth to demand "a general increase in wages not less than 10%, commensurate with the increase in living costs."

The facts are that wage earnings in Canada in the first year of war have already risen 20%, according to estimates prepared for government officials. Half of this is due to an increase in employment, half to an increase in average earnings. Meanwhile the cost of living, according to the new official government index, has risen but 5.6%. Living costs today are still no higher than in 1931.

It urges public works projects "since industry is not absorbing unemployed."

The facts are that never in Canadian history have Canada's labor and unemployed reserves been absorbed so rapidly. At least 400,000 have been absorbed into industry or the armed services since last midsummer. The grave danger is that the war effort may shortly be handicapped for lack of workers. As well, Ottawa has had to refuse applications for projects of this type because we lack the steel and other raw material which must be diverted to war needs.

The Congress says youth must demand a government guarantee of $1.25 for wheat.

How much would this cost taxpayers over and above present commitments? Roughly $300 millions, yet the Congress wants all taxes on ordinary consumer goods to be abolished, as well as the defense tax.

It wants the corporation tax raised to 50% and the E.P.T. upped to 100% to stop "war profiteering." It wants unemployment insurance made non-contributory, extended to all trades and professions, and made retroactive to those unemployed last year. It wants an eight-hour day with pay and one half for overtime.

The facts would show that each of these demands is as unrealistic as the others.

The Youth Congress roster of membership contains the names of many organizations whose patriotism and youth leadership are above reproach. These include the United Church, various Y.W.C.A. groups, etc.

Do these organizations approve this five-point programme? Did they have any opportunity to study or read it before it was printed?

There are two ways of handling this situation.

Either loyal intelligent youth groups must purge the Congress of its termites, or they must withdraw completely so that the Congress can no longer hide beneath the cloak of their responsibility.

Old-fashioned Remedy

A committee of the Toronto City Council proposes to appeal to the public not to expect Toronto drugstores to deliver after 10 p.m.; citizens to keep their front porch lights burning; receive parcels at their front door only; give sufficient particulars to enable the merchant to telephone back and check the delivery if necessary.

All this because a number of messenger boys have been held up and robbed of money they carried. The messenger boys are sometimes severely beaten.

Often the highwaymen are caught and sentenced to small fines or a short imprisonment.

In our private lives, when young people commit offenses they are spanked. The same in our schools. This type of punishment is usually so effective that the bad boys commit no more offenses.

Today in our "safe democracies" it is apparently thought unkind and improper to treat crooks as we treat our children.

If a strong City Council really wanted to stop these holdups, they would see to it that each one of these highwaymen got a thorough thrashing.

Editorials in Brief

Edmonton's Citizens' Committee has scored another noteworthy win by returning its municipal slate into full power for the fourth time. Mayor John W. Fry was elected for his fourth consecutive term.

• • •

New Brunswick's Minister of Education, C. H. Blakeny, deserves much credit for his part in arranging the national conference on citizenship and democracy at Ottawa this week.

Out of this meeting it is hoped to launch a much-needed national educational effort embracing every form of public information and inspiration and extending to young and old alike.

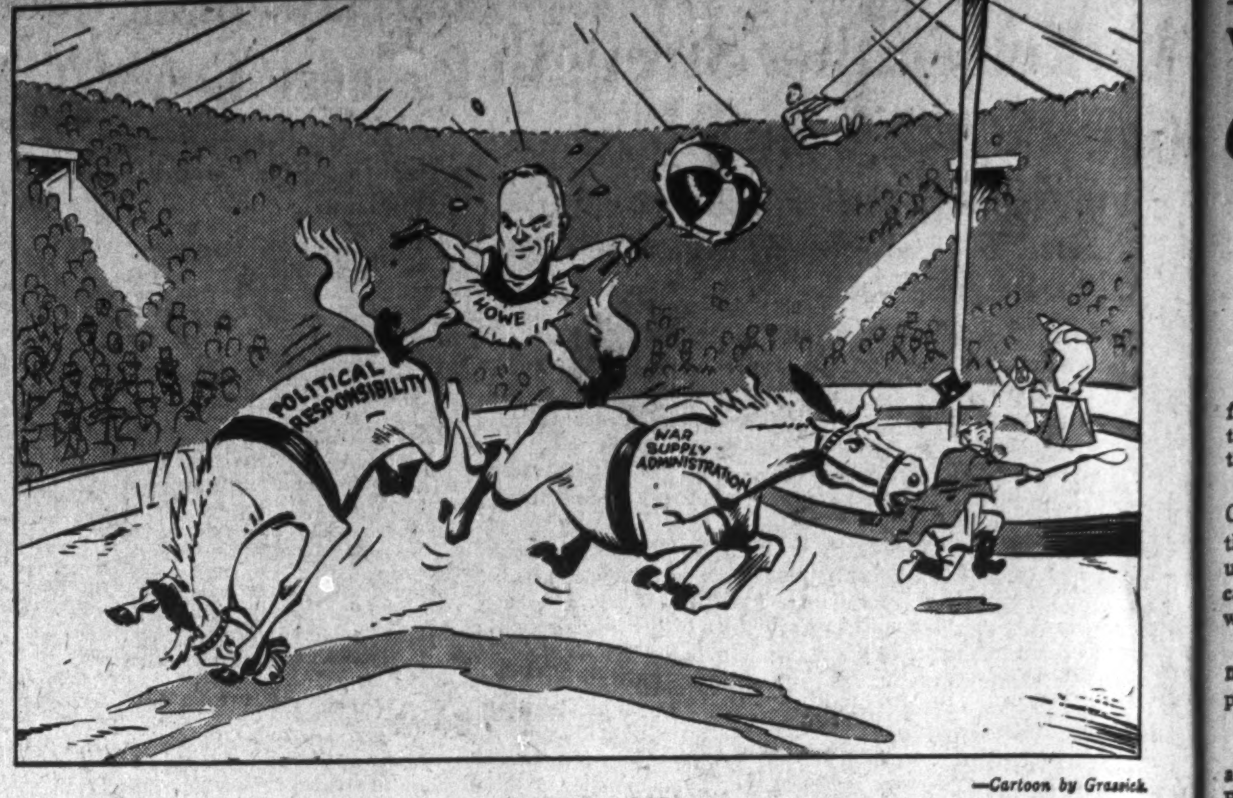
• • •

Provincial Treasurer Mathewson of Quebec has cut Quebec's personal income tax from 15 to 8 per cent "in view of the increased rate in personal income tax by Federal authorities for war purposes."

Mr. Mathewson stressed the fact that the province did not wish to take advantage of the increased federal rate.

There is no better way in which provinces can show their willingness to further the war effort and the cause of Dominion-provincial relations than by co-operative action of this sort. Ontario made a similar commitment a few weeks ago.

This is the spirit in which the deliberations on the Sirois report should be held.



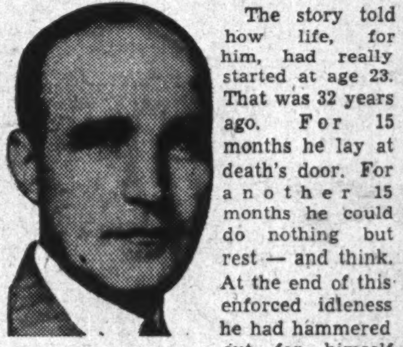
—Cartoon by Grassick.

RIDING FOR A FALL

Post-Scripts . . . .

Priorities Boss

It is nearly five years since The Post first told its readers something of the life story of H. R. MacMillan, bushy-browed lumber king of the Pacific Coast.



H. R. MacMILLAN

The story told how life, for him, had really started at age 23. That was 32 years ago. For 15 months he lay at death's door. For another 15 months he could do nothing but rest — and think. At the end of this enforced idleness he had hammered out for himself the philosophy and the business principles which have guided him ever since and which have taken him to the very top of Canada's business ladder.

Since last summer, when he was appointed Canada's timber controller, he has been enhancing his reputation for brilliance, energy and getting things done. Last week he was named chairman of the new Wartime Requirements Board. He will retain the timber control as well, chiefly because that job is now so well organized that it will continue to be done efficiently under the capable men whom he picked to organize it.

The same is true of the business empire which Mr. MacMillan controls. This empire centres at Vancouver, but it stretches clear around the world. It is an empire primarily of ships and timber, but it includes plywood, fish and finance. It is an empire which typifies Mr. MacMillan's deep-rooted convictions about Canada's greatness in the Empire scheme and the place and value of the nation's export trade.

Mr. MacMillan's new job may emerge as one of the really important jobs of the war.

At the moment he and his board (which includes men like Graham Towers, W. C. Clark, etc.) are charged with surveying the material needs of Canada's war programme—to probe, co-ordinate, plan and establish priorities in the vast complex field of war armament and supply.

It is a job of fact finding, of planning, of integration. Under H. R. MacMillan it cannot help but be a job of action and a job which will show results.

• • •

Haggis

For the benefit of all good Scotsmen who will shortly be celebrating their national poet's birthday we reprint a recipe we came across some time ago for making haggis. We've been waiting for this occasion to give publicity to the important information which it contains.

HAGGIS (GENUINE SCOTCH)

"Procure the large stomach-bag of a sheep, also one of the smaller bags called 'King's Hood,' together with the pluck, which is the lights, liver and heart. The bags must be well washed, first in cold water, then plunged in boiling water and scraped. Great care must be taken of the large bag; let it lie and soak in cold water, with a little salt, all night.

"Wash also the pluck. You will now boil the small bag along with the pluck; in boiling, leave the windpipe attached and let the end of it hang over the edge of the pot, so that impurities may pass freely out. Boil for 1½ hours and take the whole from the pot. When cold, cut away the windpipe and any bits of skin or gristle that seem improper.

"Grate a quarter of the liver (not using the remainder for the haggis) and mince the heart, lights and small bag very small, along with half pound of beef suet. Mix all this mince with two small teacupfuls of oatmeal, previously dried before the fire, black and Jamaica pepper and salt; also add half pint of the liquor in which the pluck was boiled, or beef gravy. Stir all together into a consistency.

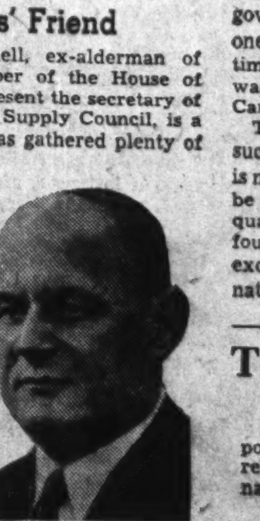
"Then take the large bag, which has been thoroughly cleaned, and put the mince into it. Fill it only a little more than half full, in order to leave room for the meal and meat to expand. If crammed too full it will burst in boiling. Sew up the bag with a needle and thread. The haggis is now complete.

"Put it in a pot with boiling water and prick it occasionally with a large needle, as it swells, to allow the air to escape. If the bag appears thin tie a cloth outside the skin. There should be a plate beneath it, to prevent it sticking to the bottom of the pot. Boil it for three hours. Serve in a napkin on a dish, without garnish or gravy, it being sufficiently rich in itself."

• • •

Workers' Friend

Humphrey Mitchell, ex-alderman of Hamilton, ex-member of the House of Commons and at present the secretary of the National Labor Supply Council, is a rolling stone that has gathered plenty of moss in the form of experience, of achievement for the working people of this country.



H. MITCHELL

He is typically English, exactly the type which has made the British trade unions the despair of communists and anarchists but the backbone of British democracy. He is 46 years of age, round faced, quick of mind, of happy temperament, always willing to compromise provided the proposal is fair and just. He loathes extremists either of right or left.

In his chosen mission as a leader of the working class of this country, he has had a career spectacular in its success compared with that of any other immigrant in his generation.

Mr. Mitchell is of the breed of Empire builders. Born at Old Shoreham, in the south of England, he served in the Navy as a lad, seeing most of the world from the deck of one or other of His Majesty's men-o-war. He came to Canada in 1912 and got a job as an electrician in Hamilton. In 1914 he went home on holiday and was called for service in the Navy on the day that war broke out. "Humph" never speaks of those years now—those years aboard cruisers and battleships. He served ashore in Flanders, afloat in the defense of Egypt in 1914-15. He landed with the Aussies at Gaba Tepe in 1915; campaigned for a season with Lawrence in Arabia: then home to serve with the Grand Fleet in the North Sea.

But his heart was in Canada and back he came to his old job after the war was over. He turned to public service, working on various civic committees and, in due course, became an alderman on the Hamilton city council. He rose, as well, in the labor movement, becoming chairman of the Ontario section of the Trades and Labor Council.

• • •

His chance for Parliament came in the by-election in Hamilton East in 1931. The Bennett wave of popularity was then receding. The Liberals gave him a clear shot at the seat and he reversed a Conservative majority of more than 4,000 votes.

In the Commons he was extremely useful not so much to the C.C.F. party as to Labor generally. He was never extreme and he was never unmindful of the non-C.C.F. votes which had elected him.

These years 1931-35 were stirring ones for him. He has a knack of being on the spot of news, of actually seeing the finger of history write. He was at the Trades and Labor Congress in Britain in 1933. He toured Russia. He turned up in Berlin on the historic day when Hitler seized power. The citations could be extended endlessly.

He was defeated in 1935 but was promptly appointed to the Labor department and has continued there with a roving commission to tackle whatever problem seemed most acute. He demobilized the relief camps; organized the farm placement plan in the drought area; played a major part in setting up the forestry camps in B.C.

Since the outbreak of the war he has been active in smoothing out labor problems relating to war production and his appointment as secretary to the National Labor Supply Council merely enlarged his field of activity.

He is the kind of labor leader in whom both workers and employers have confidence.

Stop Me If . . . .

The village concert organizer called at the home of one of the wealthiest villagers to enquire if she would contribute to the latest charity effort.

"I will see if the mistress is at home," the maid informed her.

After a short time, the maid returned to say that her mistress was not at home.

"Oh, very well," beamed the oganizer. She reached into her handbag and added: "How unfortunate! I've forgotten my visiting cards."

"That's all right, ma'am," returned the maid. "I told the mistress who you were!"

Other People's Views . . . .

The Canadian Editorial of the Week

Need a Beaverbrook

Canadian Aviation

What about aircraft production? If the Government is satisfied with the year's achievements, certainly it stands alone in this regard. Admittedly there are many valid reasons for delays and postponements. But the only final test is the actual production of aircraft.

So far in this war, we have not measured up in this test. What are the reasons? Recent reorganization has tended toward central direction of the entire manufacturing effort. Plans now in negotiation will concentrate new domestic manufacture on American types of aircraft. Both of these measures were long overdue.

The entire aircraft manufacturing programme has shown the serious lack of energetic and purposeful central direction. We have needed a Beaverbrook, a man with not only the capacity but the freedom from political restraint, to do the job which "the Beaver" has done so effectively in England.

Unless strong and experienced hands are on the controls of the aircraft industry, we can never hope to measure up to the only valid test of effectiveness, production of aircraft.

• • •

The Mail-box

Tax Agreement Reached

Editor, The Financial Post:

With reference to the letter from Mr. Gordon F. MacLaren, barrister, Ottawa, published in the last edition of your paper, you will be glad to know that a recent agreement has been reached between the Provinces of Quebec and Ontario which will have the effect of eliminating the double taxation complained about by Mr. MacLaren.

Under this agreement it is the province of residence which has the right to impose income tax on the full income of the resident even though he earns part or the whole of that income in the other province. Thus in the case of a person residing or ordinarily resident in the Province of Quebec but employed in or performing personal services in Ontario for salary, wages, commissions, fees or other remuneration derived from sources within Ontario, such person shall be taxable on his total income only in the Province of Quebec. Similarly the reverse applies in the case of a person residing or ordinarily resident in Ontario but employed in the Province of Quebec — in that case only Ontario will levy a tax on his total income.

C. F. ELLIOTT,
Commissioner of Income Tax.
Ottawa, Ont.

• • •

St. Lawrence Extravagance

Editor, The Financial Post:

Sometimes one is greatly surprised to see in your paper statements which are entirely contradictory. I refer to the problem of power in the international rapids section of the St. Lawrence River. Sept. 21, you stated: "There is sufficient power to meet a relatively sharp increase in demand, while there are several important sources that can be developed on comparatively short notice. Industrial or other requirements will have to expand very greatly before there is a serious shortage of power."

If, however, there should be greater amounts of power required during a protracted war, you have shown that we are now developing greatly increased amounts of power at La Tuque, on the St. Maurice River, and at Beauharnois on the domestic section of the St. Lawrence River. Besides, we have impressive amounts of power available, if necessary, from our own national sources like the Upper Ottawa and Lower Ottawa, the Soulanges section of the St. Lawrence, and on several of the rivers of northern Ontario and Quebec.

Your statement concludes judiciously with these words: "In the whole history of the electrical utility industry there never was a time when it was better prepared to serve Canada and the Empire."

In view of such statements, we are astonished to read in your issue of Nov. 9 that "The Roosevelt re-election will serve to speed a number of matters slowed down by the election." Among those "of immediate practical importance" you mention first of all the St. Lawrence power development.

How do you harmonize this with your previous statement that, in the matter of power, Canada was never better prepared?

It is acknowledged that the development of this power would require five to eight years, and by that time the war would certainly be ended. If the power could not be available during the war, there is no reason why it should be undertaken now.

If power were required in additional amounts during the present emergency it could be obtained for Canada at much less cost from our domestic resources, rather than by entering upon the vast unknown costs connected with the St. Lawrence project. The volumes of water and ice which would be confronted in this river are on a scale never encountered elsewhere in any similar enterprise.

Any statement as to the cost of the project would be purely empirical and not bear upon experience. But we may be sure, as a result of our past experience, that when **four** governments would be concerned with this international power development — namely, the two federal governments and those of Ontario and the state of New York — the cost would be augmented by all the prodigality so common to governmental works.

I refrain from further consideration of this scheme, which is utterly improvident for this country at the present time. I can but hope that the public generally and our governments in power may give this matter the complete examination which it deserves, rather than relying upon a decision made by a few government officials for political purposes.

My object is to induce our people to give careful thought to all phases of this matter, and to prevent political and economic debauchery from entering upon this proposed present extravagance.

W. T. JACKMAN.
University of Toronto.

Need for Co-ordinator

Editor, The Financial Post:

"Let's Face the Facts—At Home" in your Nov. 9 issue, in which you urge the necessity of the Canadian Government naming a co-ordinator of Canada's industrial war effort was well written.

Just as there is an urgent need for a central authority to co-ordinate Canada's "procurement activities," so is there an equally urgent need for leadership in helping to bring this about. The subject you opened up in your last issue touched on what may ultimately prove to be the most important single factor in the war—Canada's ability to bear the burden of wartime industrial production on such a scale as cannot yet be fully comprehended.

Possibly you will see some merit in the suggestion that you commend to our Government leaders the supplement to Fortune for September, 1940, entitled "The War Industries Board of 1917-18."

Let us all admit the need for a man like Bernard Baruch with authority in Canada now such as he had from the President in the U. S. after March 4, 1918. He is the one man who weathered the period of confusion and mistakes in the last war in the U. S. before that country finally found the solution to its problem as late as 1918. With his background of painful experience he has this to say to his own countrymen of their present efforts, "I hope that the mistakes of those who were sailing an uncharted sea will not be made again."

The course is there to follow in the organization of the War Industries Board, 1917-1918. I hope your paper will continue its efforts to point the way in the direction you have already indicated.

D. S. MacKAY.
Montreal, P.Q.

• • •

Sayings of the Week

"Never again must we allow any man or any group of men to subjugate by fear and to crush by the power of might the spirit and the lives of honest and humble men."—*Prime Minister King*

• • •

"It costs probably ten times as much to provide wages by work programmes as to provide material aid."—*Hon. Eric Cross.*

What the Papers Are Saying

Canada's First Step

Vancouver Sun

At the proposed January conference it (the report of the Rowell-Sirois commission) should be accepted by Dominion and provinces alike as a magna charta of principles—let the delegates work out the details later amongst themselves.

What Canada desperately needs today is a master war plan. Call it a move smacking of dictatorship—give it any name you will—the need is there for a coherent NATIONAL policy that will fit in with the needs of the Empire.

We will never get the money to do this with if we maintain nine provincial governments in their present realms of spending and authority.

• • •

Ottawa Still Stalling

Winnipeg Tribune

Reports from Ottawa suggest that a wheat policy for Canada may not be developed before February. Such a delay will only aggravate the present complex situation and leave the farmers sitting on the fence.

The time to formulate a policy is now. The handwriting was on the wall last year at this time, but for lack of a policy we muddled into a problem far greater than it need have been. Little save side-stepping has been done by the Dominion government in respect to the Canadian wheat situation.

It is folly to try to muddle through another year.

• • •

More Research Effort

Winnipeg Free Press

Canada has always been too hesitating and conservative in regard to research activities and has done less than other progressive countries. The achievements of research have been enormous. They have been of vast economic value.

Canada, as soon as she is able, should spend much more on this means of advancing the national welfare, and agricultural research should receive full attention.

As Others See Us

Inspirational Leadership

Edmonton Journal

The Financial Post emphasizes the failure of the cabinet to give proper "inspirational leadership" at this time of crisis. The imperative need of doing more in that way has been urged over and over again in these columns.

One specific proposal that The Post makes deserves careful study. This is to place the department of public information, the film board, the motion picture bureau and the broadcasting corporation, for which three different members of the government are responsible now, under one minister. He would "devote his whole time and energy to seeing that no stone was left unturned to inform and inspire Canadians about the war effort."

The appointment of a new man for such work would be necessary. But there is no reason to expect any difficulty would be experienced in securing one well qualified for the task if the change were found to be desirable. He would have an exceptional opportunity to render great national service.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor.
DOUGLAS M. GOWDY, Business Manager.
Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2
JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
H. VICTOR TYRRELL, Vice-President and Managing Director.
Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $3; all other countries, $6.
Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
London, England: Sun of Canada Bldg., 2, 3 and 4 Cockspur St., S.W.1.

Week in Business

War Rise Moderate Compared With 1915

Steady Expansion Rather Than Boom So Far In This War — Don't Need Inflation or Funny Money, Bankers Are Told — Carloading Figures Significant

Course of Canadian business so far this war has been far different from that of 25 years ago. There has been a pronounced gain, it is quite true, and volume today as measured by all indices is the highest in the country's history, but the climb has been moderate.

On a long term chart the line indicating business volume in the Great War period looks like a precipice when it comes to 1915-16. In that feverish period The Financial Post Business Index rose from under 70 to over 110. Compare this with the slope of the same indicator in this new war, 125 to 147, a 16% grade against the last war's 60%.

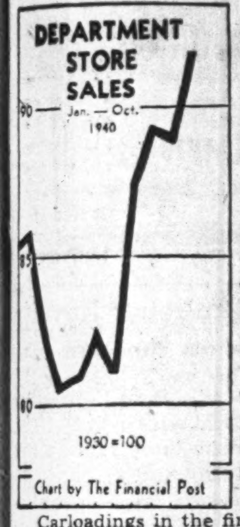
The preliminary figure for October issued this week confirms this moderate gait. Actually the index shows a small decline from the previous month though it holds a 3% gain over August.

* * *

Can we continue holding this wartime business expansion reasonably and safely in check? H. T. Jaffray, president of the Canadian Bankers Association, told the annual meeting of that organization last week Canada's financial ability to handle war effort without upset to the national economy is bounded "only by the volume that can mechanically be produced." And we can do this, Mr. Jaffray added, without resorting to "funny" money or serious inflation.

* * *

Since last spring Canadian department store sales have been forging steadily ahead with notably sharp gains from late summer on. Total sales in October were up 7% over the same month a year ago and 24% over September of this year, according to the Dominion Bureau of Statistics. This gain, however, made no allowance for the differences in numbers of business days in the months concerned or for normal seasonable variations. After this was taken into account the adjusted index, charted alongside, showed gains of about 3% for October. In October all regions except the Prairie Provinces showed gains over 1939.



Department store sales offer only one barometer of the increasing surge of business volume throughout Canada. There are plenty of other significant straws. Every item in the published list of cumulative business factors below shows a gain over a year ago with the single exception of life insurance sales, and the decline here is a fraction of 1%.

Carloadings in the first full week of November were almost 5,000 ahead of the same week a year ago notwithstanding practically an embargo on western grain shipments. Gross earnings for the country's two main railways for the year to date have averaged 12% above a year ago and gains were registered for second week in November over same period in 1939.

Business Indicators

Current business tends toward higher levels with Dominion Bureau of Statistics weekly index for first full week in November up over half a point. Financial Post index for October off slightly.

Department store sales up over three points in October over September and moderately above year ago.

Railways continue previous gains in carloadings and gross earnings despite congestion of wheat movement.

Automotive factories turn out far more trucks in October this year than last, but fewer passenger cars.

Newsprint production holding substantial gain over 1939.

Lumber exports for year to date far above last year's levels, but October figures slightly lower.

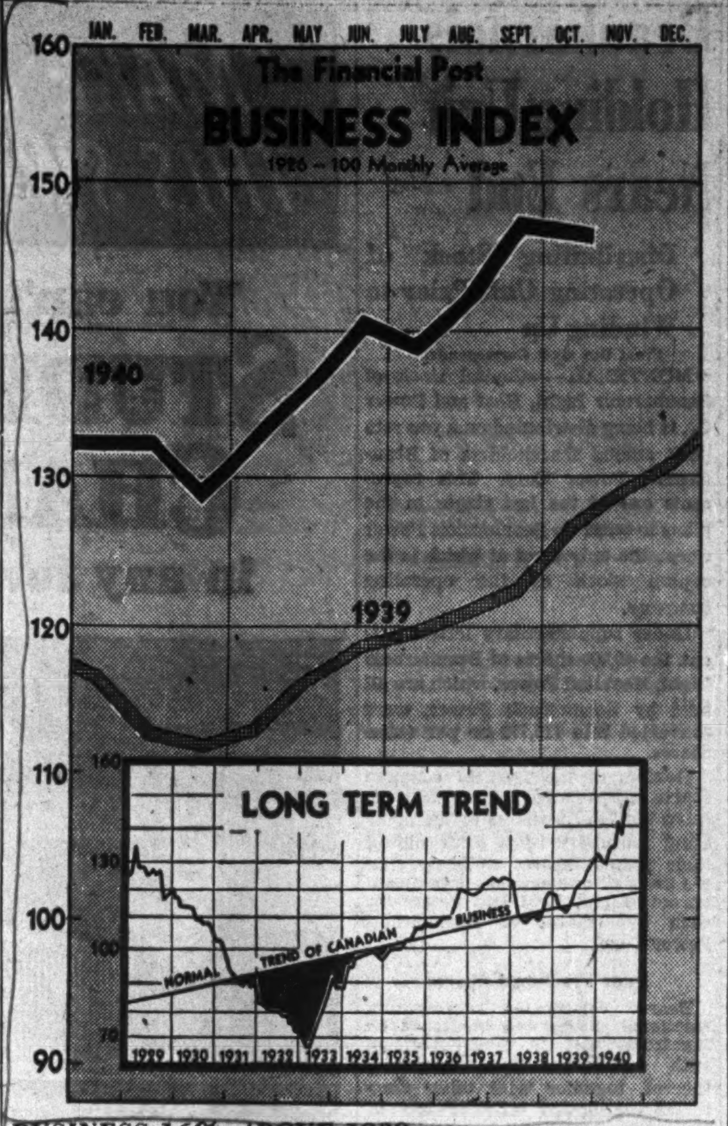
Cotton consumption in October sharply higher than same month in 1939 and cumulative to date up 60%.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ■.

TREND OF BUSINESS—	Nov. 9	Nov. 2	Oct. 26	Oct. 19	Nov. 11/39
Weekly index of business. D.B.S.	102.1	101.7	101.8	102.5	101.5
Commodity prices index no.	83.7	83.6	83.5	83.3	79.1
	Oct.	Sept.	Aug.	July	Year Ago
■The Financial Post business index	*146.9	147.4	142.9	139.5	126.6
Retail sales index no	...	90.4	93.7	89.4	86.0
■Dept. store sales index no.	92.4	89.0	89.2	87.5	90.0
Wholesale sales index no.	....	123.8	115.1	105.2	148.4
Country store (% change pr. yr.)	....	—10.7	+9.8	+6.2	+12.1
EMPLOYMENT Index Nos., D.B.S.	Oct. 1	Sept. 1	Aug. 1	July 1	Year Ago
All industries	136.2	131.6	127.9	124.7	121.7
Manufacturing	143.8	138.4	134.4	130.3	119.7
Wage earners, no. 000's	....	....	2,709	2,634	2,461
Living costs weekly budget	....	$17.82	$17.90	$17.84	$16.93
			Jan. 1 to date		%
RAILWAYS—	1940	1939	1940	1939	Change
■Carloadings (week Nov. 9)	59,492	54,734	2,415,912	2,194,713	+10.0
■C.N.R. gross (week Nov. 14) $	4,954,832	4,525,404	211,488,863	173,430,522	+21.9
■C.P.R. gross (week Nov. 14) $	3,419,000	3,410,000	145,929,000	129,124,000	+13.0
C.N.R. net revenue (Sept.) $	3,927,467	6,304,642	27,968,316	6,652,354	+320.4
C.P.R. net revenue (Sept.) $	2,985,540	5,821,955	20,289,975	12,705,409	+59.6
IRON AND STEEL—Sept.—					
Pig iron production (tons)	105,020	65,954	839,456	487,982	+72.2
Steel ingots and castings prod. .... (tons)	164,515	124,384	1,464,548	937,692	+56.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Sept.)	3,591	4,948	80,541	68,953	+16.8
■Factory output .. (Oct.)	7,056	7,791	87,659	87,433	+0.2
Trucks and Buses:					
Domestic sales* .. (Sept.)	2,084	1,808	23,815	19,833	+20.1
■Factory output .. (Oct.)	14,095	1,849	88,340	32,493	+172.3
Financing:					
Used .... (Sept.) $	3,247,690	2,329,244	32,873,671	27,617,035	+19.0
New .... (Sept.) $	2,017,453	1,793,221	26,102,370	22,084,791	+18.2
CONSTRUCTION—					
Contracts awarded .. (Oct.) $	26,360,600	14,228,100	274,109,600	165,010,000	+66.1
Cement prod., bbls. (Aug.)	909,000	842,000	4,619,804	3,572,691	+29.3
AGRICULTURE—					
Flour prod., bbls. .. (Sept.)	1,635,849	1,927,102	11,717,941	11,237,017	+4.2
Flour exp., bbls. ... (Oct.)	750,193	444,144	5,942,573	3,866,648	+53.6
Wheat exp., bush. .. (Oct.)	9,638,887	16,848,847	110,129,700	107,856,939	+2.1
Cattle sales▲ .... (Oct.)	151,889	159,421	940,344	900,850	+4.3
Hog sales▲ .... (Oct.)	675,574	488,665	4,112,414	2,824,858	+45.6
SEA FISHERIES—‡					
Catch, cwts. .... (Sept.)	1,031,500	964,400	8,397,850	7,567,850	+10.9
Landed value ...... (Sept.) $	1,825,200	1,951,700	14,291,700	13,903,450	+2.7
NEWSPRINT—					
■Production, tons ... (Oct.)	309,957	280,985	2,883,562	2,339,884	+23.2
Exports, tons ..... (Sept.)	301,292	228,163	2,426,929	1,878,942	+29.2
MINING AND OILS—					
■Coal prod., tons ... (Sept.)	1,342,751	1,385,438	12,156,067	10,667,359	+13.9
■Coal imports, tons . (Sept.)	2,074,840	1,744,468	13,649,462	8,829,683	+54.5
Gold prod., fine oz. (Aug.)	466,223	449,474	3,494,891	3,379,368	+3.4
Crude oil prod., bbl. (Aug.)	868,651	795,844	5,426,813	5,066,251	+7.1
Crude oil imp., bbl. (Sept.)	4,466,200	3,752,600	30,301,000	26,654,600	+13.7
ELECTRIC POWER OUTPUT—(September)—					
Total monthly, 1,000 kw.h.'s	2,399,678	2,380,652	22,483,592	20,623,780	+9.0
FOREIGN TRADE—♦					
Imports .... (Sept.)	86,286,828	73,564,271	768,719,704	515,331,719	+49.1
Exports .... (Sept.)	102,778,196	82,456,582	869,311,971	644,040,089	+34.9
OTHER INDUSTRIAL FACTORS—					
■Dressed lumber exp.: 1,000 bd. ft. .... (Oct.)	241,494	244,085	2,029,857	1,823,970	+11.2
■Shoes, prod., pr. .. (Sept.)	2,484,668	2,368,374	19,454,317	17,905,207	+8.6
■Cotton consump., lb. (Oct.)	16,662,648	13,036,098	158,876,127	98,861,553	+60.7
Raw rubber imp., lb. (Sept.)	6,061,154	8,004,372	68,083,514	48,753,726	+39.6
Cigarette cons. No.† (Sept.)	597,291	584,758	5,563,072	5,274,644	+5.4
Sugar manufactured .. lb.§	92,174,302	101,604,562	712,519,894	662,803,108	+7.5
FINANCE—					
Bank debits† ...... (Sept.) $	2,571,236	2,831,651	24,653,180	22,731,224	+8.4
■Bond sales† .... (Oct.) $	112,036	268,041	1,855,209	1,304,552	+42.2
Life insurance sales (Sept.) $	26,156,000	34,252,000	267,381,000	269,033,000	—0.6

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to Oct. 5, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▲Total at yards and plants.
New items for week marked ■

SKF
BALL & ROLLER BEARINGS
ALL TYPES - ALL SIZES



BUSINESS 16% ABOVE 1939—

While minor recession from the previous month is seen in The Financial Post Business Index of October at 146.9, this level is higher than for any month previous to September and 16% above 1939. The calculation is based on preliminary information.

Factors contributing to the decline from the previous month included a recession in base metal exports which are fluctuating from month to month. Asbestos exports also showed a contra-seasonal decline for the month, as did canned salmon exports. Construction contracts were lower than in September. Production of foodstuffs, newsprint and automobiles was higher

Major Economic Factors

		Oct. 1940	Oct. 1939	Increase+ Decrease—	Sept. 1940
The Financial Post business index**		*146.9	126.6	+16.0	147.4
Bank deposits**		139.2	129.0	+7.9	133.8
Sugar manufactured	lb.	92,174,302	101,604,562	—9.3	71,339,246
Cheese, factory production	lb.	15,893,293	12,878,608	+23.4	20,697,783
Butter, creamery production	lb.	22,714,294	23,755,335	—4.4	26,423,721
Newsprint production	tons	309,957	280,985	+10.3	282,322
Planks and boards exported	M. ft.	241,494	244,085	—1.1	276,912
Shingles exported	squares	291,217	340,898	—14.6	298,165
Automobile production	no.	21,151	11,297	+87.2	15,475
Carloadings	no.	280,641	270,281	+3.8	252,425
Contracts awarded	$	26,361,000	14,228,100	+85.3	52,260,000

*Preliminary. **1926 equals 100.

Keeping Posted . .

By JOHN C. KIRKWOOD

We are being urged by our department stores to buy Empire products—as a patriotic duty, and we are being urged by Canadian Homes and Gardens to buy Canadian-made products.

JOHN C. KIRKWOOD

"It's high time," says the editor of this patriotic magazine, "we caught up with that old inferiority complex concerning made-in-Canada merchandise for the furnishing and decorating of the home. Time we realized that Canadian industries and craftsmen are capable of quality performance, and that an all-Canadian home can abound with charm and comfort and good taste in every detail." Canadian Homes and Gardens shows illustrations of house furnishings manufactured in this Dominion. "Study this presentation," says the editor, "and we believe you will agree with us that the time has arrived when Canadians can be both house-proud and patriotic at one and the same time."

* * *

Big Store Versus Little

I see in the current issue of Hardware and Metal an editorial, 'Mail Order vs. Independents," inspired by the statement of the vice-president of a large Canadian mail order firm. He said that mail order business in Canada in the last 10 years has contributed more to a higher standard of living than any other single agency.

Surely such a positive statement is challengeable. Hardware and Metal's editor counters: The independent merchant in rural communities has contributed far more to the growth and general welfare of rural Canada than have the mail order houses. The editorial adds: "The old idea that the mail order concern would in time sweep the independent retailer in rural Canada out of business has been dissipated."

My own view is that neither competition nor evolution will blot out either the small retailer or the country weekly newspaper. In the economy of the world there is need for hummingbirds and eagles; for mice and elephants; for cranberries and pumpkins; for little fellows and tycoons.

* * *

The Quiz Craze

Jack L. Murray, vice-president of Tandy Advertising Agency, Toronto, writes in the current issue of Canadian Advertising of the "quiz craze" on this continent.

Many Post readers doubtless think they have first-class ideas for "Information Please" programmes. They should read Mr. Murray. For example: "It is a mistaken idea that quiz shows can be successful as long as the cash prize is big enough. If you are planning a quiz show, be sure your questions are built to educate and entertain. The best entertainment will get the biggest audience."

* * *

Making Ideas

Ideas, like painters and musicians, farmers and blacksmiths, are made, not born. That is to say, there is a technique which, if followed, will produce ideas. The successful men in life, in business, in art, in commerce, have ideas and pursue them—turn them into reality.

At least two books which I have read recently have told how good ideas are made. One of these books, 52 pages long, by James W. Young, director, Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, gives his formula: (1) gather the raw materials; (2) work over these materials in your mind; (3) the incubating stage, where you let something inside in addition to the conscious mind do the work of synthesis; (4) the birth of the idea—the "Eureka! I have it!" stage; and (5) the final shaping and development of the idea to practical usefulness.

Mr. Young's conclusion is that the production of ideas is just as definite a process as is the production of Fords.

* * *

Less Bell Pushing

In the vacuum cleaner industry there is a trend away from home demonstration and direct selling, toward selling through dealers. The experience of several of the very large makers of vacuum cleaners confirms the belief that home demonstrations are no longer necessary to obtain sales in required volume. Newspaper and magazine advertising, plus store stocking and demonstrations, can be relied on to effect quota sales — sales made at lower prices.

Makers of mechanical furnace stokers are studying how they can lower their price, perhaps by making a smaller unit. A development is the combination of stokers and furnaces or boilers in one self-contained unit.

* * *

Fortnightly Mirror

Meet the sun-browned lads from the land of the Southern Cross, who today fly wing to wing with other Empire pilots in Canadian skies. Meet them in the article in Maclean's Magazine of Nov. 15.

Here I make a suggestion: send Maclean's Magazine as a Christmas gift to overseas friends. No other magazine mirrors Canada so truly as does Maclean's. It will be a semi-monthly letter from you to that friend or kinsman whom you wish to be proud of Canada.

A Home that Savings Built

Savings are not just money . . . they are houses, farms, travel, enjoyment of life. Money is only the means to an end. The owner of this home used the facilities of the Canada Permanent to accumulate the money with which to build; and his savings paid for it over a period of time. Thousands are doing the same. Canada Permanent is ready to help you also to SAVE and BUILD. Its faith in the future of Canada has remained unswerving since 1855.

CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
ASSETS EXCEED $69,000,000

Ontario Hydro Up in October

Decline in Secondary Power Offsets Gain in Primary

Primary power load of Hydro-Electric Power Commission of Ontario continues to rise in keeping with the increasing tempo of industry. Indications are that the all-time peak established last December will be exceeded this year.

Only two of Hydro's systems are still selling secondary power, judging from the October figures just issued. The Eastern Ontario, Georgian Bay, and Thunder Bay systems show no increase in peak when secondary load is added to the primary. Probably this can be taken as evidence that secondary power is being cut off to conserve available resources for essential industrial loads.

In the Niagara system secondary power load adds 137,533 h.p. to the peak for October this year compared with 186,595 h.p. for the corresponding month of 1939.

Largest percentage gain last month was shown by Georgian Bay, all primary load. Eastern Ontario and Thunder Bay both show gains in primary peak but declines when the secondary peak load is included. Largest gain in primary is shown by the Northern Ontario Properties.

Comparative figures for October follow. The detailed analysis illustrates how Ontario Hydro's power peak for its important Niagara System has held well above last year. It is necessary to go back to Oct., 1938, to find a month which failed to exceed the corresponding month a year earlier, showing that the Niagara power load has now reached 25 months of consecutive gain.

System:	Max.20-min. Peak H.P. Oct., 1940	Oct., 1939	% Incr.
Primary Loads			
Niagara	1,287,936	1,228,552	+4.8
Eastern Ont. .	154,207	141,908	+8.7
Georgian Bay .	42,217	34,756	+21.5
Thunder Bay .	97,855	96,160	+1.8
Northern Ont..	201,747	167,961	+20.1
Total all syst.	1,783,962	1,669,337	+6.9
Primary and Secondary Loads:			
Niagara	1,425,469	1,415,147	+.7
Eastern Ont. .	154,207	168,958	—8.7
Georgian Bay .	42,217	34,756	+21.5
Thunder Bay .	97,855	118,740	—17.6
Northern Ont..	234,921	225,870	+3.7
Total all syst.	1,954,069	1,963,471	—.5

Kingston Gets Nylon Plant

C.I.L. Will Build $1.5 Million Unit to Produce Next Fall

From Our Own Correspondent

MONTREAL.—Kingston has been selected by Canadian Industries Ltd. for the site of its new $1.5 million plant for the manufacture of Nylon yarn.

A 100-acre tract, two miles west of the city, has been purchased. While it is understood that a certain amount of preliminary construction will be undertaken immediately, it is not expected actual production will commence until the autumn of 1941.

About 10 acres of the site will be required for the initial construction of buildings, roads, auxiliary services, parking space, etc. Manufacturing facilities will be mainly of one-story brick and steel construction and will cover an area of about 75,000 square feet. Two other buildings will provide space for the boiler plant and offices. Steam for the plant will be limited to heating requirements while power will be supplied by the Hydro-Electric Power Commission of Ontario.

Raw material for the manufacture of Nylon in the Canadian plant will be Nylon polymer, imported from the United States. The present estimated consumption of Nylon yarn in Canada is inadequate for the economic production of this material in the Dominion from the basic raw materials, coal, air and water. If and when consumption in Canada reaches the necessary volume, the chemical manufacturing process necessary for conversion of coal tar derivatives into Nylon polymer may be installed.

The main output from the new plant will be Nylon yarn in a condition of low twist ready for "throwing" into yarn suitable for knitting, weaving, etc., by the textile industry. The initial rate of production is estimated at 400,000 lb. of yarn per annum and 150 persons will be employed at the new plant.

C. I. L. DIVIDEND

MONTREAL.—Directors of Canadian Industries have declared a final 1940 dividend of $1.75 a share on the common stock, bringing the total for the year to $7 a share. This compares with $7.50 in 1939. The current dividend is payable Dec. 20 to shareholders of record Dec. 14.

A CHECK-UP OF YOUR INVESTMENTS

A requisite of a sound investment portfolio is a periodic analysis by a competent investment consultant. This service may be obtained without obligation at any of our offices.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Investment Securities

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1939), $11,793,464
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

1. *A Mortality Table* tells us how many of a group of people of any given age will live to be a year older, two years older, ten years older, etc. For example, take 1000 children, each fifteen years old . . .

2. *One Mortality Table* shows us that at forty, life may begin for *some*, but will have ended for 103 of the 1000 . . .

3. *At Seventy*, 462 of the 1000 remain, and 21 of those will still be alive at ninety.

What has a Mortality Table to do with the cost of Life Insurance?

AS YOU PROBABLY KNOW, a life insurance company is required by law to maintain certain reserve funds. This reserve, together with future premiums and interest earnings, is calculated to enable the company to pay all its policy obligations when they fall due.

In computing the sufficiency of the reserve, government supervisory officials and the company follow mathematical formulas which are based, in turn, upon mortality tables and interest rates.

A mortality table is simply a tabulation showing what percentage of a group of people of any given age die within a year's time. It is prepared from a knowledge of *past* death rates—but serves as a measure of *future* death rates. As it is sometimes phrased, "We don't know who will die, but we know how many."

The Metropolitan for its Ordinary Policies generally uses the "American Experience" table for computing reserves.

Because this particular mortality table was developed many years ago, and mortality rates have since improved, people sometimes ask:

"Wouldn't the use of a more up-to-date mortality table reduce the cost of life insurance?"

People who ask this question are usually unaware of the fact that the *cost* of mutual life insurance is *not* determined by the particular table used to compute the reserves—whether the American Experience Table or any other.

For one thing, while the companies must have sufficient reserves on the basis of the legally specified mortality table, they are not restricted as to the mortality table they use for determining premiums. Metropolitan, for example, does not compute its premiums directly on the American Experience table, but takes its own experience into account.

Furthermore, in a mutual company such as Metropolitan, the premium paid by the policyholder is fixed at an amount somewhat greater than that which the company expects will be needed to cover the cost of providing the insurance. This is done for safety—so that the company can be sure it will have sufficient funds to cover any unforeseen disbursements that may be incurred. Later the policyholder receives back, from year to year, in the form of dividends, a refund of the amounts not needed by the company.

In computing dividends, the company takes into account *recent* mortality—as well as actual interest earnings and expenses of the company. Thus the cost of life insurance is determined by what actually happens. In other words, the mortality table used to compute the reserve has little or no effect on the cost of life insurance, since dividends reduce the policyholder's net payment to the amount required by *actual* experience.

Mortality, furthermore, is only *one* of several factors which enter into the cost of life insurance. The two other factors mentioned above—interest earnings and operating expenses—are very important. Anything affecting either of these factors also affects the cost of life insurance.

As a matter of fact, the continued decline in interest rates during recent years has substantially reduced the amount that could otherwise be returned to the policyholder as dividends. Naturally, this has increased the cost of life insurance, since the savings that have been made by the improvement in other factors have been more than offset by the reduction in interest earnings.

The important thing to remember is this: Regardless of the mortality table used to establish premiums or reserves, the Metropolitan policyholder receives his life insurance at the actual cost of providing it. And that cost is based on up-to-date experience, not just with regard to mortality, but with regard to *all* the factors which affect that cost.

This is Number 31 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
CANADIAN HEAD OFFICE, OTTAWA
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT

Some Major Changes In Taxation Mooted

Big Changes in Sight Include Amending Excess Profits Base Period and Personal Income Exemption on War Charities

By STAFF WRITER

OTTAWA. — Rumors of major changes in taxes, both personal and corporation, have been common recently.

Probably most often mentioned in these reports is the Excess Profits Tax. Changes here will likely be confined for the present to some adjustments in the period comprising the "standard profit" base to make this conform more closely to the calendar years. Details of this were first announced by The Financial Post last week.

No Personal "Excess" Tax

One change which has been mentioned is the imposition of an Excess Profits Tax on personal incomes. Advocates of this idea claim that many individuals are going to receive sharp gains in income for 1940 and should be taxed on a comparable basis with corporations.

This idea of an "excess" personal income tax has been considered at Ottawa but abandoned for a number of reasons, chiefly administrative. It is pointed out that there is no standard base, or rate, for personal income taxes as there is in corporation taxes where all pay the same flat rate. It is felt that the graduated scale now in effect answers the purpose quite well. Individuals who are in partnerships or in business on their own account are subject to the present Excess Profits Tax. Where partnerships earn sufficient profit to be liable under the E. P. T., the tax will be imposed. Profit remaining after this tax is met comes under the ordinary income tax law.

Change Charity Exemptions

One section of the present tax laws slated for change is in the matter of the exemption allowed this year for gifts to certain specified patriotic charities. In the Sept., 1939, budget there was inserted a provision that voluntary contributions to patriotic charities which were approved by Ottawa authorities could be deducted from taxable income to the extent of 50% of total taxable income of individuals. Since then the Minister has approved six or seven patriotic charities, such as the Red Cross, the Canadian Legion War Services and others. Thus, donations to this group can be deducted from taxable income up to the 50% limit. But gifts to other charities such as the local Community Federation organizations are not eligible.

The Government now feels that its original provision was not only too generous but unfair to many worthy charities which have not direct connection with war work.

This charity exemption appears slated for alteration. One suggestion that has received favorable reception is that the exemption be reduced to 20% of taxable income and the list broadened to include a much wider list of charities whether directly concerned with war work or not.

Tax Anticipation Payments

The question of working out some means whereby corporations could anticipate their tax payments as they set aside funds to cover them throughout the year has come up but no alterations in present practices are expected. Serious consideration was given to some system of tax anticipation warrants resembling those in common use in many municipalities. But administration difficulties and cost of such a system are said to bar its adoption.

Now corporations have the same privilege as have personal income taxpayers in that they can make four equal payments equivalent to an estimated third of total taxes due prior to the ordinary date of payment. Then of the remaining two thirds four more payments must be paid by August. 31, with no interest being charged on the postponed balance.

Corporations also have this privilege and apparently it is going to be all that will be adopted for this year at least.

Accelerated Depreciation

One problem in corporation income taxes that is going to be of increasing importance this year is the permitted rate of depreciation on machinery that is being used on a two or three shift basis.

Canadian corporation income tax law now permits machinery to be depreciated up to a 10% annual maximum rate. This rate applies on an ordinary schedule of one shift per day. But the law also permits now that where machines are used two shifts daily, depreciation may be charged at one and a half times the ordinary maximum rate or 15%. If 24-hour a day operation is the rule, double the ordinary rate of depreciation will be permitted, or 20% annually.

This provision will probably be some protection to companies active in war work where it is desirable to write off plant expansion as rapidly as permissible because of the uncertain nature of the work done.

To Discuss Default By Moose Jaw

A meeting is being held this week in Moose Jaw, Sask., between a representative of the city's Debenture Holders Committee and the city council. Principal business will be discussion of proposals to reorganize the debenture indebtedness of the city, which has been in default of principal and interest since 1938.

In an exchange of correspondence between Mayor J. W. Corman and F. L. Hancock, secretary of the committee, an invitation for the meeting was extended by Mr. Corman. Mr. Hancock accepted on behalf of the committee and instructed its representative to arrange a meeting.

The Moose Jaw situation recently has been brought into the limelight by an offer being made by the city to pay $37 on a $100 bond to a debenture holder surrendering certificates to the sinking fund. The Debenture Holders Committee maintains the offer is too low.

CANADA VINEGARS PAYS

Canada Vinegars Ltd. has declared a dividend of 10 cents per share, payable Dec. 2, to shareholders of record Nov. 20. This is in line with the reduction from 30 to 10 cents quarterly with the payment made June 1, last.

Tourist Trade Down Over 25%

Passport "Trouble" and Nazi Propaganda Check Vital Exchange Source

Canadian tourist trade this year is down over 25% from 1939, based on 60-day auto permits entering Canada to the end of September. There has been a drop of well over a quarter of a million of such permits from the total of 1,100,000 issued during the first nine months of 1939.

Some of the decline of these 60-day visitors from the United States is attributed to the passport trouble of last July. It will be recalled that suddenly just before the main tourist reason commenced, Washington announced that from July 1 Canadian visitors to United States would have to have passports. Authorities here feared that potential American visitors to Canada would think that similar regulations were being adopted by Ottawa and that rather than go to the trouble and expense of getting passports they would stay home.

Prompt measures were taken by the Canadian Government, Boards of Trade, the press, service clubs, etc., to assure Americans that they were as free and welcome as ever to enter Canada. This assurance seems to have helped, for while there was a sharp decline in American tourists entering this country in July there was a substantial pick-up in August. But neither in August nor September were totals this year comparable to 1939. Moreover in only of the six months preceding July was there any gain this season over last.

Tourist Traffic
60 Day Auto Permits Entering Canada

	1940	1939
January	21,046	23,266
February	22,968	18,611
March	28,239	25,842
April	43,198	46,635
May	86,591	97,174
June	135,474	139,840
July	148,936	284,784
August	207,615	290,497
September	118,905	169,671
Total	812,972	1,106,320

In addition to the sudden adoption of passport regulations by Washington, tourist authorities blame the decline this year on the widespread but ill-founded fear in American minds that Canada at war might not be a safe country to visit. This feeling, it is said, has been actively fanned by Nazi elements across the line. These people see in a decline in tourist traffic to Canada, a blow at the Dominion's vital war credit position in the United States. This campaign, however, has been sharply challenged not only by Canadian authorities and groups but also by many responsible public-opinion-forming bodies in the United States.

Strike Reports Show Increase in October

Strike trouble in Canada in October showed a marked increase over September, but was approximately in line with conditions in Oct., 1940.

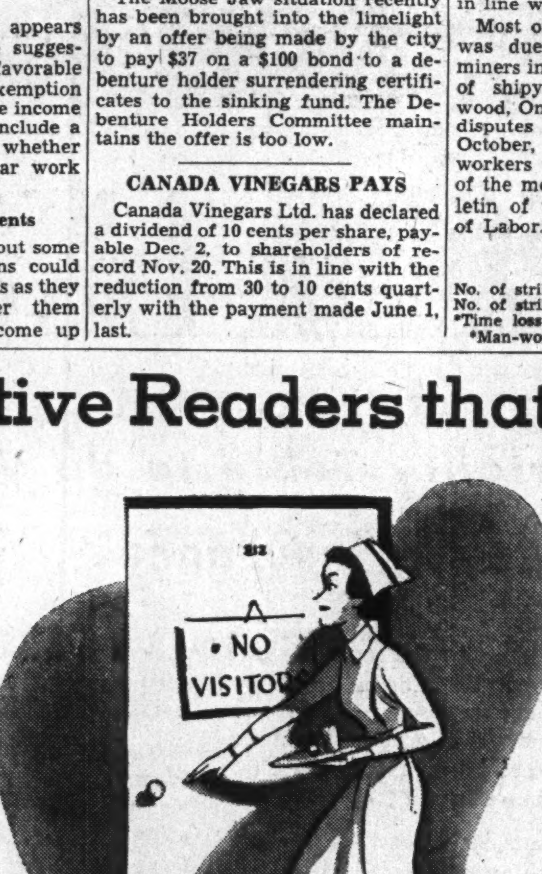
Most of the time loss in October was due to nine strikes of coal miners in Nova Scotia and to strikes of shipyard workers in Collingwood, Ont., and Montreal. Of the 25 disputes resulting in strikes in October, six cases involving 1,400 workers were unsettled at the end of the month, according to the bulletin of the Dominion Department of Labor.

Strikes in Canada

	—October— 1940	1939	Sept. 1940
No. of strikes	25	27	10
No. of strikers	7,609	6,496	2,668
*Time loss	19,830	23,724	6,053

*Man-working days.

It's Active Readers that count



Take any group of one and a half million people and when week-ends roll around *some* of them are bound to be under the weather for one reason or another. That's why Star Weekly circulation figures vary slightly from week to week, month to month.

You see, each Star Weekly is bought individually. It demands action, an effort on the part of someone to pay out ten cents and pick up his copy. So when you get better than 400,000 Canadians a week making that effort you know you're getting 400,000 live, interested readers . . . men and women who *want* The Star Weekly and will make an active effort to get it . . . the very best class of reader.

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The circulation of The Star Weekly which was 211,620 in 1930 has more than doubled since that time.

March 31, 1940 (A.B.C.) 400,035

September, 1940 (Net Paid) 403,194

October, 1940 (Net Paid) 424,844

It is only an estimate but we predict better than a 440,000 weekly average for November.

More than ever, Canadians are reading

The STAR WEEKLY

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B. C. Power Net Off in October

Rise in Expenses Offsets Gain in Gross Company Revenue

From Our Own Correspondent

MONTREAL. — British Columbia Power Corp. reports a gross income in October of nearly $1.5 million, a gain of nearly $129,000 over the same month a year ago. Expenses, on the other hand, increased by $134,790, so that the balance available on the A stock during October was $186,177, as against $190,161 in Oct., 1939.

Cumulative returns for the 10 months ended October show gross income at $13.8 millions, a gain of $820,000 over the like period a year ago. After all senior charges, the balance was equal to $1.8 million on the class A stock, or $1.80 a share. This contrasts with net profit in the same period last year of nearly $1.7 million, or $1.68 a share.

Comparative figures follow:

	1940	1939
October		
Gross earnings	$1,461,071	$1,331,265
Expenses	1,087,228	952,438
Int. & pref. divds.	187,666	188,666
Bal. for "A" stk.	186,177	190,161
Ten Months Ended Oct. 31		
Gross earnings	$13,827,541	$13,006,643
Expenses	10,140,385	9,430,497
Int. & pref. divds.	1,878,657	1,890,069
Bal. for "A" stk.	1,808,499	1,686,077

Maple Leaf Hit By High Taxes

U. K. Business Erratic and Company Volume Off—Competition Keen

"Most pressing current problem of Maple Leaf Milling Co. is the tax burden," it was suggested at the annual meeting by D. C. MacLachlan, president and general manager. Under the "excess" profits tax, 75% of the earnings in excess of the average for the four years ended in 1939 go to the Government.

Maple Leaf, it is pointed out, went through a "depressed" period during these years. Only in one of the four years—1939—did it have taxable income, so average is made by taking one fourth of the 1939 earnings. A concession is granted by Ottawa to companies in this earning class, in that deficits for the other three years are not deducted.

In spite of this concession, however, there still is an "excess" profits tax of 75% on the difference between the 1939-40 earnings figure of $692,220 (before taxes) and $123,506, representing the base figure for 1936-39. This is in addition, also, to the corporation taxes of 18% on all profits.

Business Slightly Lower

Commenting on current operations, Mr. MacLachlan stated that business in the first three months of the current fiscal year, which began Aug. 1, was slightly less than in the same period of 1939. Reason is laid to the fact United Kingdom business has been erratic, due probably to irregularities of shipping. Plants, however, for the most part have been running practically all out since the beginning of the war. The company frequently is called upon to deliver quickly large quantities of flour for export.

Wear and tear on the mills after a prolonged 12 months run has been heavy, and repairs and replacements are a large item. Some plans to effect certain necessary changes and improvements were curtailed because of the heavier cash outlay for additional taxes which face the company. The increase in provision for depreciation is due to the extra load placed upon plants and machinery.

Domestic Competition Remains

The president reported also that highly competitive practices in varying forms still continue in the domestic business. It had been hoped the revival of larger export business would have resulted in more stabilized conditions.

Outlook for United Kingdom is regarded as difficult to forecast, but according to Mr. MacLachlan, "it is not unreasonable to expect that large quantities of flour will be required."

The need was stressed of increasing domestic consumption of bread in order to help in absorbing some of the wheat surplus. The president suggested bread could be used "in place of perhaps less nutritious and more expensive imported foods." This also would help Canada's need for foreign exchange.

The Home Front

Salvation Army Drive

Due to the heavy demands on its Auxiliary War Services for troop camps, both C.A.S.F. and N.P.A.M., provided at the request and under the direction of the Canadian Department of National Defence, the Salvation Army is now preparing a national drive for funds March 10 to 19, inclusive.

The objective has been set, and approved by the War Services Department, at $1,500,000. Quotas for individual communities and districts are now being worked out at national headquarters in Toronto.

Sir Edward W. Beatty, president of the Canadian Pacific Railway, has accepted the position of national chairman.

Organization of district, or provincial, and community committees is under way. Voluntary committees of leading citizens for every city, town and community across Canada will be set up well before March 10.

Hamilton Theatres Pays on Preferred

Hamilton United Theatres Ltd. has declared a dividend of 1¼% on the 7% preferred stock, payable Dec. 31 to shareholders of record Nov. 30. Following this payment, arrears will increase to $19.50 per share from $19 on Sept. 30.

The dividend rate was reduced from 1½% quarterly with the payment made Sept. 30. This is officially attributed to increased taxation.

Beauharnois Holding Unit Nears End

Distributing Stock of Operating Unit Prior to Winding Up

From Our Own Correspondent

MONTREAL.——Capital stock of Beauharnois Light, Heat and Power Co. is being distributed on a pro rata basis among shareholders of Beauharnois Power Corp. This represents one of the last stages in the plans to wind up Beauharnois Power Corp., the only asset of which is the capital stock of the operating company.

Under supplementary letters patent, the 40,000 shares of Beauharnois Light, Heat and Power, which are all held by Beauharnois Power, were converted into 715,779 no par value shares.

Holders of the 1,431,557 common shares of Beauharnois Power will receive the 715,779 shares of the operating subsidiary upon surrender of their present shares certificates on the basis of one new share of Beauharnois Light, Heat and Power for each two shares of Beauharnois Power Corp.

Issue Fractional Shares

Bearer certificates representing fractional shares will be issued by Montreal Trust Co. The holders of such certificates upon surrender thereof, together with other fractional certificates totalling one or more full shares, will be entitled to receive the number of full shares of Beauharnois Light, Heat and Power represented by fractional certificates surrendered, but only for a period of one year from the date of issue of fractional certificates. Thereafter the shares represented by the fractional certificates will be sold by Montreal Trust Co. and the holders will be only entitled to receive the pro rata proceeds of the sale upon surrender of the fractional certificates to Montreal Trust Co.

Provide For Class "A"

Holders of unconverted Class A stock of Beauharnois Power Corp. have been given an opportunity of obtaining the new Beauharnois Light, Heat and Power Co. stock certificates on the basis of one share of Beauharnois Light, Heat and Power new stock for each 20 shares of old Class A shares of Beauharnois Power Corp. Ltd. stock.

In 1935, Beauharnois Power Corp Ltd. cancelled the old A shares and issued one no par value common share (the present stock) for each 10 shares of the old Class A stock.

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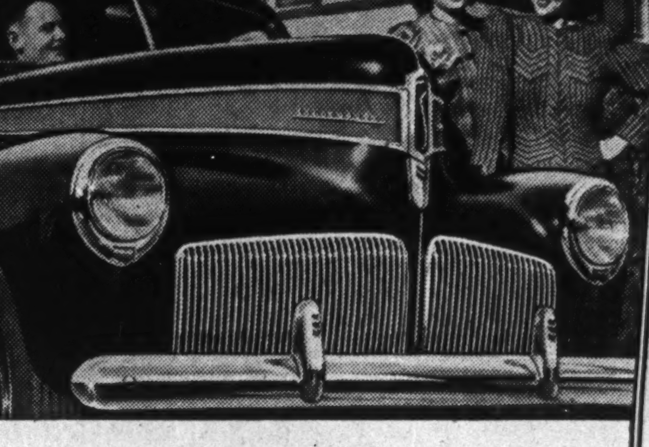

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Rail Earnings Show Moderate Increases

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co. reports an increase of $171,000, or 4.7% in gross traffic earnings in the week ended Nov. 7, compared with the same week last year. Gross totalled $3.8 millions, against $3.6 millions in the same week last year.

Cumulative gross earnings in the year to Nov. 7 totalled $142.5 millions, an increase of $16.8 millions, or 13.4% over the same period of 1939.

An increase of $417,035, or 8.8% in gross traffic earnings is reported by Canadian National Railways for the week ended Nov. 7. Total during the week was $5.1 millions compared with $4.7 millions in the same week last year.

Cumulative gross revenue in the year to Nov. 7 totalled $206.5 millions, an increase of $37.6 millions, or 22.3% over the same period of 1939.

COMMERCIAL ALCOHOLS

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading 480 additional no par value common shares of Commercial Alcohols Ltd. which have been issued under the empolyees stock subscription scheme and brings the number of shares outstanding to 191,070.

Second In'rstate Royalty Reports on Position

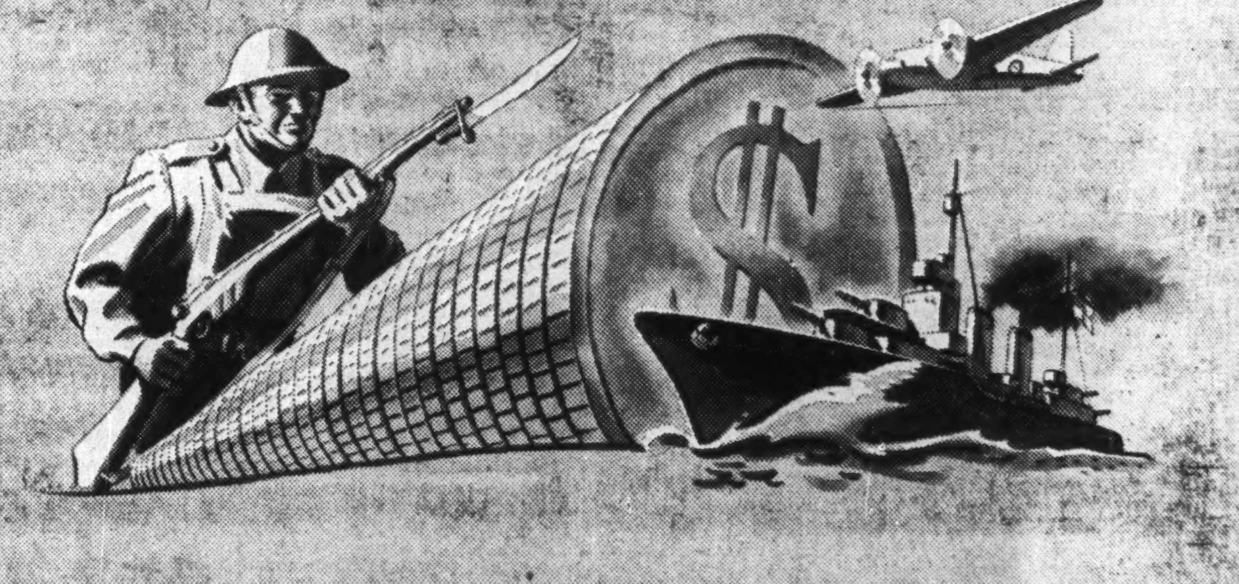
From Our Own Correspondent

MONTREAL.—Second Interstate Royalty Corp. reports that at Oct. 31 investments in oil royalties had a book value of $206,189.

Gross revenue from royalty income since acquisition amount to $49,612 to Sept. 30, 1940, and the reserve for depletion totalled $13,642.

During September last the corporation had a gross royalty income of $605, while accumulated royalty income for the year 1940, up to the end of September, amounted to $5,968.

Fighting Dollars



Canadians can be proud of the fact that their savings in life insurance are helping to win this war—for life insurance is the greatest single subscriber to our National War Loans. Millions of their life insurance dollars are now "Fighting Dollars." They are helping our Government to equip thousands of men—and provide vast quantities of armaments and food supplies to back up the fighting forces. Life insurance stands for Home Defence. For more than a hundred years it has guarded the homes of Canada from want and privation—living up to every promise and honoring every obligation. And today, life insurance dollars are on "active service" against tyranny, defending our homes and country.

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Saguenay Power

How is the preferred stock of Saguenay Power Co. regarded?

Saguenay Power Co. operates one of the largest hydro-electric generating plants in Canada. It supplies electric power for heating, lighting and industrial purposes in the Lake St. John district and the Saguenay River Valley of Quebec. Control is held by Aluminum Co. of Canada Ltd.

The preferred stock has an excellent record. In 1939 net profit was equal to $26.06 on the preferred shares, against $25.03 in 1938. Dividends at the full rate of 5½% have been maintained regularly since the initial payment of $1.37½ a share paid Aug. 1, 1936.

Annandale Court Apts.

I would like the latest information on Annandale Court Apartments.

Annandale Court Apartments holds a five-story apartment building in Kingston, Ont. It has been operated by a receiver, London and Western Trusts Co., since 1930. No interest has been paid on the 6½% first mortgage payable bonds since June 20, 1930. A prior mortgage of $80,000 is held by the Equitable Life, on which interest has been paid to date. This mortgage has recently been reduced at a slight saving in interest.

The company showed an operating profit of $10,685 in 1938, latest figures available. Interest on the $80,000 first mortgage was earned almost three times that year. This, of course, was before providing for any payment on the defaulted interest on the 6½% first mortgage.

The building at present is fully rented and savings have been made in operating expenses. Provided the present tendency to increase revenue and decrease expenses continues, there would appear to be prospects of some payment being made on the 6½% first mortgage bonds. This, however, still remains somewhat obscure.

Border Cities Co.

I would like information on Border Cities. Co.

Border Cities Co. does not issue financial statements. The Chartered Trust & Executor Co., Toronto, has acted as liquidator of this property since 1930. In 1935 Chartered Trust stated that costs of liquidation would be greater than the value of the assets and that no balance would be available for general creditors. The distribution of 10% was made to holders of 7% first mortgage bonds in 1930 and 5% to holders of 6½% bonds. No further distributions are likely to be made in the near future.

Canadian Western Gas

I would like a general summary of the position of Canadian Western Natural Gas. Where does the company operate and what is its earnings record? What public investment interest is there in the company?

Canadian Western Natural Gas, Light, Heat & Power Co. produces and distributes natural gas for heating, lighting and power purposes to Calgary, Lethbridge and a number of other Alberta towns. The company has shown an excellent record of stable earnings and in recent years net profit has been maintained fairly close to the $500,000 mark. Revenue from gas sales of $2.1 millions in 1939 showed a slight decrease from the previous year. Net profit of $488,424 was down slightly from the previous year.

Public investment interest is almost entirely confined to the 6% preferred stock, as the company has no funded debt and over 95% of the ordinary stock is owned by Dominion Gas & Electric Co. Earnings on the preferred last year were equal to $18.10 per share, more than three times the dividend requirements of $6.

This company, like all others, will be subject to the higher Dominion corporation taxes this year. Due to the stable level of its earnings, however, it is not likely it will be subject to the "excess" profits tax. The company carried out a 10% reduction in gas rates for the city of Calgary last year. The reduction took effect this year.

In recent years there has been concern felt regarding the company's gas reserves. Recently, however, this situation has improved. Drilling by an affiliated company 80 miles northwest of Calgary appears to have indicated substantial quantities of gas. In addition, waste has been largely eliminated in the Turner Valley field.

The company's earnings depend largely upon economic conditions in the West. The situation as regards Alberta's economy is rather difficult at this time to forecast. The demands of Great Britain for bacon help, but on the other hand there is the wheat problem to be considered.

Montreal Debentures Insured For Loss

From Our Own Correspondent

MONTREAL. — City of Montreal has made arrangements to protect holders of its debentures payable in London against hazards of transatlantic transportation.

Many Canadian institutions and individuals hold debentures payable in the British capital. Holders can now report holdings to the Bank of Montreal. Coupons will be cancelled in Montreal and holders given a bank draft on the Bank of Montreal in London. The coupons will then be sent across to London, but at the same time the bank be advised by cable of the list of drafts issued, so that they will be honored even if the coupons are lost in the crossing.

Fort Erie, Ont., Bonds

Is Fort Erie, Ont., paying interest on its bonds again? Has a reorganization been approved yet?

The town of Fort Erie, Ont., has been paying interest on its debenture debt since a reorganization was completed last year. It defaulted on principal and interest in 1934. The refinancing plan provided for a 90% cash settlement on defaulted interest to Jan. 31, 1940, and for full payment of principal which matured in 1934, 1935 and to June 30, 1936.

After the reorganization, debenture debt of $1.4 million was left and is to be repaid serially over 40 years from 1940 to 1979. Interest is payable at original contractual rate until the original maturities, and thereafter at 4½% annually until paid.

Dominion Woollens

Taking a long-range view, what are the prospects for Dominion Woollens & Worsteds Ltd.?

It is pretty difficult to look beyond the war for a textile security such as Dominion Woollens. As long as the war continues there is promise the company will be able to maintain satisfactory earnings power.

This company had unsatisfactory earnings from 1929 until last year when war impetus provided a substantial net profit for the first time in a decade. Prospects are that even further improvement has been shown this year and that the net result will be better. The experience of some companies which already have released figures showing provision for the increased corporation taxes should be kept in mind, as they show a substantial jump.

The company is one of the primary units in providing woollen cloth for the manufacture of uniforms for Canada's armed forces. As long as the war lasts it can be expected demand likely will hold at a high level. Extra funds provided by this business are being utilized to improve plant and modernize it. This will place the company in a better position to take advantage of civilian business offering after the war.

It should not be overlooked, however, that the past experience of the woollen textile industry in Canada has been such that unusually wide readjustments are necessary to establish a satisfactory earnings power with only civilian demand.

General Brock Hotel

What is the outlook for General Brock Hotel Co.?

General Brock Hotel Co. is located at Niagara Falls, Ont. Gross revenue for 1939 of $82,919 was down $1,776 from the preceding year. It is difficult to say whether any improvement can be looked for in the 1940 statement. The fact the tourist business to Canada from the United States this year was less than anticipated is a depressing factor. The hotel, located in a city which is an important tourist centre, is quite vulnerable to the ups and downs in the tourist trade.

The Canadian Government apparently will intensify its efforts to obtain an increase in tourist business from the United States. The American funds supplied by this are greatly important to the war effort, and when the New Niagara Bridge is ready, the promise is the General Brock Hotel position will be improved.

Portage la Prairie, Man.

Is Portage La Prairie, Man., paying interest on its bonds? If not, is any progress being made toward a settlement?

Portage La Prairie, Manitoba, defaulted on principal and interest in June, 1939. No payments have been made since. Debenture holders are seeking to arrange some settlement for payment of the default, but there is no definite progress to be reported as yet.

Laura Secord's Costs Higher

Ingredients Materially Higher and Exchange Is Adverse Factor

Materially higher costs of ingredients and exchange for Laura Secord Candy Shops were reported at the annual meeting by John D. Hayes, president. In spite of this, profits before taxes in fiscal year ended Sept. 30, last, were ahead of the previous record year of 1931.

Sales in 1931 were about $60,000 less than 1940, while net profit in 1940 was $69,000 less. At the same time, $70,000 more in taxes was paid than in 1939—including higher provincial and Dominion corporation taxes and the new "excess" profits tax.

Some changes have been made in investments of the company, it was repored by C. H. Ellston, secretary-treasurer. This resulted in loss of $11,765 on investments and securities, compared with $59,000 profit in previous year. Holdings in Fanny Farmer increased by market purchases, while investment in Mary Louise Shops was written off and the charter surrendered. Long-term bonds have been liquidated in preference for short-term issues.

Plan Refunding For Burnaby

A committee of debenture holders of the District of Burnaby, B.C., is negotiating settlement of debenture debt which has been in default of principal and interest since 1932. Negotiations are with the District and B.C. Department of Municipal Affairs.

A tentative plan has been proposed whereby present debt of $2.9 millions would be refunded and principal payments spread over 25 years. Interest rates would be lower than the original coupons, which range from 4½% to 6%. The plan also takes into account settlement of capital bank loans totalling $170,000 and treasury notes held by the B.C. Government amounting to $190,000.

Approval of 51% of debenture holders is necessary to carry out any refunding plan. Legislation also must be passed by the provincial Government.

A plan six years ago collapsed when debenture holders refused to accept it. At that time an initial rate of interest of 1% was proposed for three years, after which there would be an upward revision until a maximum of 4% had been reached.

Burnaby has been administered by a commissioner appointed by the provincial Government since it defaulted eight years ago.

Government Finances Break New Ground

Dominion Income and Outgo Both Rise Sharply in First 7 Months of Fiscal Year

Expenditure of the Dominion Government on war reached a new peak in October, rising to $81.7 millions from $66.7 millions in September, the previous high.

Expenditure on this account in October amounted to 64% of total outlay, compared with 69% in September. This percentage decrease, however, is accounted for by an increase in total expenditure during October. Total disbursements during the month were $127.6 millions, against $96.2 millions in the previous month.

War Expenditure 136%

Expenditure on war in October amounted to 136% of revenue, compared with 110% in September.

Receipts rose to $60 millions from $54.2 millions in the previous month. Compared with the same month last year revenue rose $20.1 millions, or $50%.

In the first seven months of the fiscal year ended Oct. 31, revenue totalled $443.1 millions, against $313.2 millions in the same period last year, an increase of $129.8 millions, or 41%.

War expenditure in the seven months amounted to $320.5 millions, compared with $33.8 millions last year. Only two months of last year, September and October came into the war period.

All Receipts Increase

All classes of revenue showed a sharp rise in October. Excise taxes, sales taxes, stamps, etc. increased $10.1 millions to $25.2 millions. Income taxes showed the next largest increase, rising $5.2 millions to $9.6 millions.

Ordinary expenditure increase $1.9 million to $41 millions.

Following are comparative figures on revenue and expenditure for the seven months period to the end of the month:

Seven Months Ended Sept. 30

	1940	1939
	000's of dollars	
Receipts:		
Customs duty	74,423	54,262
Excise duty	50,076	35,438
Excise, sales taxes, etc.	135,108	82,404
Income tax	152,732	111,265
Post office	19,376	18,725
Sundry and special	11,346	11,124
Total revenue	443,061	313,218
Disbursements:		
Ordinary	210,178	206,397
Capital	2,199	3,704
Defense and war	320,499	33,770
Relief works, grants, etc.	14,498	23,006
Govt. enterprises	15,464	42,179
Miscellaneous	6,174	2,486
Total expend.	569,012	311,542

Province of British Columbia

4% Sinking Fund Debentures (Non-Callable)

To Mature November 1, 1950

PRICE: 99 and accrued interest to yield about 4.125%

Information relating to the financial position of British Columbia is contained in the official prospectus which will be furnished on request.

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MUNICIPAL HONOR ROLL

Five Years of Progress by Local Government

REGINA, SASK.

Regina, Sask., is the twenty-seventh in a series of municipalities included in The Financial Post Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in the recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

Regina, Sask., has never been in financial difficulties.

The next five years, however, will be the most trying period the city has faced from the standpoint of maturity of debenture principal. More than 36% of the current gross debt of $15.9 millions comes due during this period, with the balance spread over 17 years.

Sinking fund already has been allotted to meet the $5.8 millions of maturities. But there is a confusing factor in that the fund is valued at cost of the investments. And about 42% of these are Province of Saskatchewan bonds, current prices of which are somewhat below par. Another 19% is made up of Saskatchewan rural telephone, Saskatchewan municipal and school district debentures, the exact worth of which is difficult to determine.

In Depressed Area

Regina is the distributing centre for the south portion of Saskatchewan, primarily a grain-growing area. It is located in the heart of what has been the most highly depressed major area in the Dominion during the past decade. So its record of avoiding financial difficulties is somewhat remarkable.

Future of the city is by no means clear. The basic prairie problem—to dispose of the western grain crop—still is far from solution. Other industries have been developed, but they are relatively unimportant in the light of the city's basic grain economy. Furthermore, they depend largely upon the prosperity of the farmers.

Sentiment toward western municipal bonds in general, and Regina and Saskatoon in particular, has improved definitely during the past month. A Regina issue which was as low as 60, for instance, is now around 83. This indicates the feeling that the immediate future for Regina is somewhat better than it has been for some time, although admittedly the city is not riding yet along a smooth road.

Adoption of the Sirois Report on Dominion-provincial Relations now looms as a possibility as a result of the conference called by Premier King for January. This is most encouraging to cities such as Regina, hard hit by depression. Adoption of the major recommendations would result in the Dominion assuming the entire burden of relief now borne by provinces and municipalities.

Would Lighten Relief Burden

This would be of substantial assistance to Regina—which still bears a heavy relief load. Total expenditures of $563,856 in 1939 show little improvement from some of the most difficult years. A substantial decline has been shown this year, however, with about 3,000 off the relief rolls, which totalled about 10,800 a year ago.

There are two other aspects about possible adoption of the Sirois report which might help Regina. First, if the Dominion assumes the provincial debenture debts it would improve the outlook for Regina's sinking fund, 42% of which is made up of Saskatchewan bonds. Secondly, with burdens of the provincial governments lightened, they might follow through the suggestion of the Sirois Commission and pass on some of the benefits to the local governments.

The definite financial progress shown by Regina during the past five years is indicated by the accompanying table. Current tax collections, for instance, have jumped from 58.5% to 71.1% of current levy, while there has been a similar improvement in collections on arrears. Net debenture debt of $148 per capita at the end of 1939 is down $45.70 from 1935.

Statistical Picture

	1939	1938	1937	1936	1935
Population	53,389	53,389	53,389	53,389	53,034
Assessment taxable (in $000's)	49,975	41,252	42,241	42,146	42,555
Assessment per capita $	787	774	791	789	802
Tax rate (mills)	50	50	50	50	51
Tax collections:					
Current collections to curr. levy, %	71.1	66.9	62.3	60.4	58.5
Curr. & arrears to curr. levy, %	108.8	107.5	94.5	94.4	89.8
Gross debent. debt (in $000)	15,875	16,138	16,739	16,870	16,855
Less: Sinking fund	7,973	7,731	7,817	7,131	6,582
Net debenture debt	7,902	8,407	8,922	9,739	10,273
Net deb. debt per capita, $	148.00	157.46	167.11	182.42	193.70
Other liabilities	581,358	618,979	686,697	531,989	1,081,043
Relief expenditures funded	233,400	240,000	236,000	200,000	340,000
Relief met out of curr. rev.	330,456	279,098	294,675	273,484	222,118

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THE ROYAL TRUST COMPANY

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Ninety-Second Annual Report

OF THE

CONSUMERS' GAS COMPANY OF TORONTO

Year ended 30th September, 1940

YOUR Directors present herewith the Ninety-second Annual Report of the operations of the Company, together with the Financial Statements for the year ended September 30th, 1940.

The financial results of the Company's operations in 1940 show unmistakably the effect of a number of adverse factors brought about by the war.

Notwithstanding the unusual conditions which have existed, the output of gas has been well maintained, and the quantity of coke sold was 35 per cent. greater than that sold in 1939.

The gross operating revenue for the year amounted to $7,271,118, and exceeded by $124,136, the amount required to meet operating expenses, taxes, actual repairs and renewals and the regular dividend.

Operating expenses, including taxes, amounted to $5,334,324, and compare with $5,148,300 in 1939.

Increases in the cost of coal, and of other necessary materials, the higher wages paid for labour, and greatly increased taxation haye added materially to the operating costs. The additional expenditure is principally of an uncontrollable class and is related directly to Canada's war effort. The Shareholders will realize that these are matters beyond the control of the Directors.

As a protection against possible sabotage, special guards are being continued on duty at the Manufacturing Plants. The cost to the Company of this precautionary measure last year was $21,900.

Upon the declaration of war, the exchange rate on United States funds rose to 11 per cent. The cost to the Company of exchange on remittances to the United States during the year was $129,777. This amount represents an additional item of expense not encountered in recent years, but which is unavoidable since unfortunately the United States is the only practical source of the Company's coal supply.

The total amount charged in the accounts for the year for direct taxes which includes property taxes, Dominion Income and Excess Profits Tax and Ontario Corporations Tax, reached a level higher than in any previous year, the total being $646,498, an increase over last year of $97,241. For every dollar received from the sale of gas 12.2 cents were paid to the taxing authorities. The corresponding figures for 1930 and 1920 were 7.2 cents and 4.8 cents respectively.

The following summary shows the total effect of the items of increased expenditure referred to in the three preceding paragraphs:

Protection of Plants	$ 21,900
Exchange on United States Funds	129,777
Taxes	97,241
TOTAL	$248,918

Changes in Dominion Government taxation were made during the year as follows:

Under the provisions of the War Budget, passed on September 12th, 1939, the Income Tax on corporations was increased from 15 per cent. to 18 per cent., the increased rate to apply to the income of 1940.

The Dominion Budget, presented June 24th, 1940, provided:

(1) That the Income Tax and Excess Profits Tax together, should not be less than 30 per cent. This rate to apply on income earned after January 1st, 1940.

(2) That, effective June 24th, 1940, a War Exchange Tax of 10 per cent. on the invoice price, plus exchange, would be levied on all goods imported, other than goods entering under the British Preferential Tariff.

The full effect of this latter item of taxation will not be felt until next year.

On February 24, 1940, the Ontario Corporations Tax was amended to temporarily increase the tax on the net income of corporations from 2 per cent. to 5 per cent., for a period of two years, commencing January 1st, 1939, and terminating December 31st, 1940.

In view of this added burden, the attention of the Shareholders is directed to the fact that the position of the Company with respect to taxation is entirely different from that of its principal competitor, the Toronto Hydro-Electric System, whose properties are virtually tax free. The freedom from taxation enjoyed by that System places an unfair handicap upon the Company in meeting the intense competition encountered from that source.

The Toronto Hydro-Electric System in its report for the year 1939, stated that the total taxes paid amounted to only $39,378, and revenue from the sale of electricity, $13,106,213. Taxes paid, therefore, equalled three-tenths of one cent for each dollar of revenue. As stated above, this Company's taxes for 1940 amounted to 12.2 cents per dollar of gas revenue.

Total payrolls amounted to $1,843,539, and at the close of the year the employees numbered 1,106.

During the year a further group of 56 employees, having long terms of employment with the Company, were retired on pension. There are now 88 former employees on the Company's gratuity list.

Forty-four members of the Company's staff are now serving in the Canadian Active Service Forces, while many others are training with Non-permanent Active Militia units.

The properties and plants of the Company have been kept up in their usual high state of operating efficiency. Expenditures on repairs and renewals last year amounted to $441,224.

Adequate insurance is maintained on all plants and buildings against possible loss from fire or explosion. In addition, insurance policies are carried to afford reasonable protection against claims of public liability and property damage which might arise by reason of the Company's operations.

Early in the year the Directors engaged the services of the Stone and Webster Engineering Corporation of New York to make an investigation of the gas manufacturing plants and their operation.

The reputation of this firm is of the highest, and their wide experience in operating and managing gas plants and other utilities makes them eminently qualified to report authoritatively upon all matters relating to gas plant operations.

Their study disclosed no substantial deficiencies, but produced a number of valuable recommendations and suggestions with respect to operation which have been acted upon. The consequent improvement in operating results, and the economies thereby effected, have been well marked in recent months, but the full benefit of these will accrue during the coming year.

With regard to the plants themselves the investigating engineers had this to say:

> "The design and construction of the buildings used for housing the equipment at both Station 'A' and Station 'B' is of the highest type and the plants of your Company, may, particularly with respect to general appearance, be classed among the finest on the continent.
>
> "Referring to Station 'A', the generating equipment consists of 13 settings of Glover-West benches of modern design. This type of plant is also widely used in the United States and several of our plants utilize equipment of this type so that we are entirely familiar with the details of its construction and operation. We consider it the best type of gas-making equipment for plants of moderate size.
>
> "The water gas generating units were of a type with which we were not familiar but of a design which embodies some of the features of the latest development in carburetted water gas sets made in this country (U.S.A.). It should lend itself to very efficient operation.
>
> "From a technical point of view, the plants merit the highest commendation.
>
> "Of the general condition of the plant and its equipment, as far as we could observe, we can only speak in terms of highest praise for the thoroughness in which the maintenance work has been done."

The Directors have to record with deep regret, the death, on June 11th, 1940, of their esteemed colleague, Mr. L. Goldman, who, during the 20 years he was a member of the Board, rendered valuable services to the Company.

The vacancy on the Directorate, occasioned by the death of Mr. Goldman, was filled by the election to the Board of Mr. M. R. Gooderham.

All of which is respectfully submitted.

A. L. BISHOP,
President.

STATEMENT OF INCOME

For Year ended September 30th, 1940

GROSS OPERATING REVENUE:		
Gas Sales	$5,285,786.87	
Residuals Produced	1,685,444.90	
Merchandise Sold	290,093.44	
Miscellaneous Revenue	9,792.62	
		$7,271,117.83
Production, Distribution and Administration Expenses and Taxes		5,334,324.44
NET OPERATING INCOME		1,936,793.39
INTEREST EARNINGS NET		84,086.65
TOTAL NET INCOME before provision for Plant and Buildings Renewal Fund		2,020,880.04
Dividends on Capital Stock		1,455,520.00
		$565,360.04
Transferred from Reserve Fund		537,347.10
		$1,102,707.14
Transferred to Plant and Buildings Renewal Fund		$1,102,707.14

BALANCE SHEET OF THE CONSUMERS' GAS COMPANY OF TORONTO

September 30th, 1940

LIABILITIES

Capital Stock		$14,555,200.00
Reserve Fund		4,955,420.20
Plant and Buildings Renewal Fund:		
Amount at Credit October 1, 1939	$6,441,262.67	
Less Repairs and Renewals	441,223.94	
	$6,000,038.73	
Appropriation Authorized by Statute	1,102,707.14	
		7,102,745.87
Reserved for Dividend No. 362		363,880.00
Provision for Exchange and Dominion and Ontario Government Taxation		245,519.91
Accounts payable		450,597.56
Bank Advance		387,533.84
		$28,060,897.38

ASSETS

Real Estate, Plant and Equipment	$22,979,252.71
Investment in Dominion of Canada and Province of Ontario Bonds (At Cost)	1,984,636.24
Materials and Supplies	1,927,434.92
Cash in Bank and Offices	14,173.00
Accounts Receivable, after making provision for Doubtful Accounts	1,013,681.35
Interest Accrued, not due	34,039.59
Prepaid Taxes and Insurance	107,679.57
	$28,060,897.38

Approved on behalf of the Board of Directors.

(Signed) A. L. BISHOP,
President.

(Signed) EDWARD J. TUCKER,
Director and General Manager.

We have audited the accounts of The Consumers' Gas Company of Toronto for the year ended 30th September, 1940, and in the conduct of the work have received all of the information and explanations we have required.

We report that, in our opinion, the above balance sheet fairly represents, in accordance with accepted principles of accounting appropriately applied and consistently maintained, the financial position of the Company at 30th September, 1940, according to the best of our information and as shown by the books of the Company.

TORONTO, NOVEMBER 7TH, 1940.

GUNN, ROBERTS & COMPANY,
Chartered Accountants.

Pro-Nazi Commentator's Claim Of Canadian Tie-Up Exposed

Who and what is the "Canadian Economic Research Bulletin?"

The question has been asked of The Financial Post by a number of readers.

The question arises because the so-called "Baxter International Economic Research Bureau" of New York has been spreading the most violently defeatist propaganda about Britain and the war. And at the head of each of the Baxter bulletins —sold to clients at $80 a year— appear the words, "Affiliated with Canadian Economic Research Bulletin."

Investigation by The Financial Post has revealed no Canadian office, organization or affiliation that would justify the use by the Baxter outfit of the word "Canadian" on the heading of its bulletins.

It has revealed no special qualifications that the Baxter International Economic Research Bureau may have for reporting either on Canada or Britain.

Barred from Canada

The Post's investigation brought out the fact that the bulletin has been barred from Canada under war legislation.

In brief, whoever may be back of William J. Baxter of New York, the dispenser of gloom about Britain; whatever his affiliations or sympathies, he and his organization are not Canadian as his letterhead might suggest.

Head of this bulletin service is one, William J. Baxter. In the past he has been a prolific source of dire prophecies about gold, commodities, inflation and business generally. He is now pouring his black syrup of gloom over Britain's prospects of final victory over the dictators.

In the past few years Mr. Baxter has developed a tidy business as a merchant of grim forebodings on almost any given subject. But in sharp contrast to his professional pessimism, he has selected one subject on which to be aggressively and persistently bullish. That subject is the military, economic and political strength of Nazi Germany and the prospect of its continuing sway over all Europe.

Exposed Before

This preposterous faith in the "invincible" power of the bandit nations of the Axis may possibly be part of Baxter's regular stock in trade. He has always sought to win attention—and sales for his forecasts—by making bold, bearish predictions in defiance of current opinion—and often of the facts. In May, 1939, The Financial Post exposed the false pretensions of a Baxter forecast of a chaotic outlook for gold, Canadian gold shares and business.

It has been suggested that the Baxter bulletins are a facet of Nazi propaganda or are inspired by it. Certainly they appear to stem from a definite pro-Nazi bias, and follow the same course as Nazi agitation in the U. S.

They are apparently so regarded in Canadian official quarters, for Baxter's chief outlet for his views, the International Economic Research Bulletin, was barred from this country early last July.

For a time he continued to send Canadian subscribers a special bulletin from which he eliminated the subversive and pro-Nazi passages of his regular report. But for several months he has sent nothing into Canada, not even special reports for Canadian consumption.

Yet Baxter continues to imply in his regular bulletins that he operates or is tied up with a Canadian organization.

The main heading of his regular "confidential" reports say: "Baxter International Economic Research Bureau." Below that, in similar bold type, is the legend: "Affiliated with Canadian Economic Research Bulletin." This carries the definite inference that a Canadian enterprise of similar nature is operated by or affiliated with Baxter's U.S. organization, or at least that special Canadian surveys and reports are made.

Compiled in New York

And what are the facts? Any Canadian reports issued through Baxter have always been the product of his New York organization or an associated group, and any Canadian surveys have been made chiefly if not entirely from New York.

For a time he was partner with one Ralph Morgan in a firm known as Canadian Economic Research Co., but in 1937 he acquired Morgan's interest. Since then any business in this connection and any reports of "Canadian Economic Research Bulletin" have been fully controlled by Baxter or the parent New York firm of Baxter Bros., statisticians.

No Canadian Office

At one time a Canadian office of the Canadian Economic Research Bulletin was maintained in Toronto. This, however, appears to have functioned primarily if not solely as a selling office to get Canadian subscriptions to Baxter's service, and has not been operated for 18 months to two years. As far as can be learned, no office was ever maintained in any other Canadian city.

Yet issues of Baxter's general bulletin as recently as September and October, which have reached Canadian businessmen from disquieted friends in the U.S., continue to proclaim affiliation with "Canadian Economic Research Bulletin." Former Canadian subscribers consider it outrageous that a non-existent "Canadian" organization should be made to appear the sponsor of the sinister Nazi propaganda fed out through these bulletins.

Pro-Nazi Slant

In the October bulletin, typical passages refer to the "inevitable disaster" for Britain, the Battle of Britain being "lost before it ever started," and Germany holding the "laurels of leadership" because she "has shown herself the real master over machines in Europe." He asserts the "big surprise" in Europe is not the failure of the German air force to subdue Britain, but "the extent of destruction of England that the leaders of England seem willing to take."

This was preceded in September by declarations such as these: "England as we have known her in the past is definitely through." "No power on earth can save England at this late hour." "It is no longer a question of the defeat of England, but rather whether the defeat will take the course of a negotiated peace or actual invasion of the island."

Qualifications

The Financial Post investigated the training or experience of Mr. Baxter to see if it qualified him to interpret world economic and political trends, and particularly to divine the outcome of such a vast conflict as the present war. First hand enquiry by competent investigators in New York discloses little or no reason to give special weight to his positive forecasts on international developments. As compiled by these investigators, the Baxter record is briefly as follows:

A graduate of Clark University (1920) and the Harvard School of Business Administration (1922), he was retained as economic adviser and research director by the Hickey Freeman Co., Rochester clothing firm. After several years of this, he set up in business for himself and subsequently established the Wool & Clothing Research Bureau of America (Baxter's Wool Bulletin), Silk Research Bureau, and Chain Store Research Bureau.

Expanded Scope

Within the past 10 years, he has expanded the scope of his operations and pronouncements to take in the world. The Canadian Economic Research Bulletin dates back to 1932, and was apparently created partly as a result of Baxter's interest in the stock of a large drug store chain in Ontario.

The International Economic Research Bureau appears to have been an outgrowth of the "Canadian" unit, though the I.E.R.B. was not registered as a style of business until Jan., 1937. It was in the same month that Baxter and two brothers in Worcester, Mass., formed the firm of Baxter Bros., statisticians.

Other Interests

Baxter has by no means confined his interest to the field of prophetic research into commodities and economics. He was president of Morgan, Baxter & Co., an investment and securities firm organized in 1932 but now out of business. In the same year he was vice-president of Pringle, Price & Co. and set up the Canadian Economic Research Bulletin in partnership with Ralph Morgan.

From July, 1929, to Jan., 1934, he was vice-president of Chain Store Fund Inc. He also served, representing outside interests, as vice-president and assistant secretary of a subsidiary of Alice Foote MacDougall & Sons Inc., Marionette Coffee Shop Inc., which was petitioned into bankruptcy in 1932.

He still maintains business interests, as president of Roses & Myrr Inc., a Pennsylvania corporation chartered last year and engaged in the manufacture of mouth wash at Philadelphia.

Building New Machine To Boost War Savings

By STAFF WRITER

OTTAWA.—Stepping up the objective for sales of war savings certificates and stamps to $120 millions from $50 millions necessarily means important changes in the organization and drive behind the campaign. Plans are now being worked out at Ottawa.

Keynote to the intensified campaign is to be more numerous—and more energetic—local committees.

The organization of the war savings committee starts with the joint national organization, under the chairmanship of W. H. Somerville, and de Gaspe Beaubien, and including a provincial chairman in each province. Next comes the provincial committees, which, in turn, are followed by district committees.

Locals Everywhere

Now plans call for extension of the organization until there is a local or district committee in every community, where there seems to be a potential market to justify the setup. Up to 13,000 individual committees are now envisaged.

Keynote to the enlivened campaign is to be the system whereby employers deduct a certain amount from the pay of each employee. The new objective will aim at enlisting an increased number of firms in this system and a greater proportion of the employees in firms already co-operating.

Potential Very Large

Estimates indicate that about one third of the potential firms are now lined up, with the latest figure approximating 11,000 employers. Of this 11,000, 8,500 are firms with 1,500 or more employees. Altogether, the 11,000 firms represent about a million and a quarter employees, but of these perhaps less than one half are now co-operating in the scheme.

To attain the twin objectives of 100% employee co-operation and increased savings from individual workers, an "Honor Roll" system is to be inaugurated. Based on the percentage of employees subscribing each quarter, firms will be given appropriately engraved parchments and each quarter seals will be provided for attaching, also based on the percentage of employees co-operating.

Strive for Competition

Publicity will be given to the positions of individual firms and a spirit of competition engendered.

Illustrative of what can be done is noted the fact that the British Columbia provincial chairman, Chris. Spencer, of Vancouver, already has eight firms with 100% of their employees co-operating. Up to the present, this is the only section of the country with this record, although some others, and some of them large firms such as Zellers with 98%, in eastern Canada, are well up in the list.

Ranking closely behind the employer-employee scheme is that of enlisting the co-operation of the Canadian banks. Through these, it is hoped to reach in particular classes of individuals, such as doctors, dentists, lawyers and others, who cannot readily be reached by other means.

This group will be urged to pledge a specific amount each month to be withdrawn from their savings account, and transmitted directly to Ottawa by the banks.

Right now the joint organization at Ottawa is handling about 12,000 applications for war savings certificates daily. It is estimated that about 800,000 persons in Canada have bought war savings certificates or stamps since the plan was inaugurated.

B. C. Municipalities Report Net Reduction in Debt

Three British Columbia municipalities completed refinancing plans during 1939, according to E. H. Bridgman, Deputy Minister of Municipal Affairs, in the department's annual report. There were no further defaults during the year.

Enderby paid 60% of the outstanding bonded debt and issued 20-year annuity bonds for the balance.

Nanaimo issued serial bonds at a lower rate of interest in exchange for outstanding waterworks debentures.

New Westminster obtained legislation enabling it to exchange pre-fire (1898) debentures for a new issue at the same rate of interest. Date of maturity was extended to Jan. 2, 1960.

Debenture Debt Cut

Net reduction of $276,833 was shown during 1939 in the debentures of B.C. municipalities outstanding. Debentures retired during the year totalled $1 million, while the amount issued totalled $726,211.

A decline in land assessment and an increase in improvements assessment was shown. Assessed value of land at $294.7 millions on Dec. 31, last, is down $9.5 millions from 1938. Assessed value of improvements at $464.4 millions is up $15.9 millions.

In a statement of maturities of debenture debt, it is shown that all local governments in the province have about $28.8 millions of maturities to meet during the period 1940-50, while maturities following 1950 total $70.4 millions. Years in which the heaviest repayments must be made are 1942, 1944, 1948 and 1950, when maturities exceed $3 millions annually in each case.

Vancouver has the heaviest maturities—$17.9 millions during 1940-50 and $42.4 millions after 1950. Biggest maturities are $2.1 millions in 1942; $2.5 millions in 1944; and $2.1 millions in 1948.

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FARGO TRUCKS!

ADDITION OF NEW 2½-TON CONVENTIONAL AND 3-TON CAB-OVER-ENGINE MODELS NOW GIVES FARGO OVER 98% COVERAGE OF ALL HAULING AND DELIVERY NEEDS!

Handsome new styling for still greater Advertising Value...new economy and long life...new engineering refinements...increased horsepower and torque . . . two new models . . . improved "Sealed Beam" headlamps — these are a few highlights in the list of improvements in the great line of Fargo Trucks for 1941!

There's an appealing new style treatment of the radiator grille, radiator shell and front fenders. The new, streamlined, improved "Sealed Beam" headlamps are mounted in pockets formed in the front fenders—parking lights are on the cowl. Cab interiors are in an attractive brown to match smart new rubber-coated upholstery of two-tone brown. They are handsome, these new 1941 Fargo Trucks—outside and in!

Oil bath aircleaner and an additional fuel filter at the carburetor, guard all Fargo engines against dirt and dust.

On the fast light delivery models a new syncro-shift transmission . . . Float-type oil intake screen to take oil from the *top of the oil supply* . . . new front bumper . . . and the famous Chrysler equal-pressure hydraulic brakes are still further improved for more effective braking and longer life.

There's a new 2½-ton conventional model in 136, 160 and 178 inch wheelbases and a new 3-ton C.O.E. model in 105, 129 and 159 inch wheelbases. This gives Fargo 16 wheelbases and 12 different truck models, ranging from the fast, light ½-ton deliveries right through to the big, powerful 3-ton Heavy-Duty Diesel models. Fargo now covers over 98% of all hauling and delivery needs.

Somewhere in this wide range of 1941 Fargo Trucks is one to suit your need. Be sure to see the new Fargo. Remember, Fargo is engineered and built by Chrysler and is famous for long life, reliability and low operating costs. See your nearest Chrysler-Plymouth-Fargo dealer right away!

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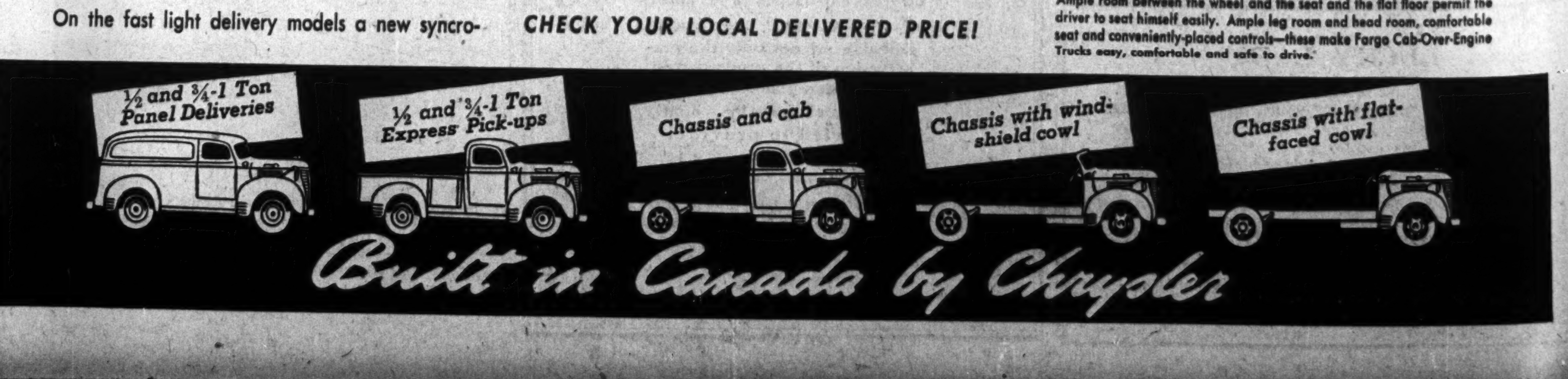
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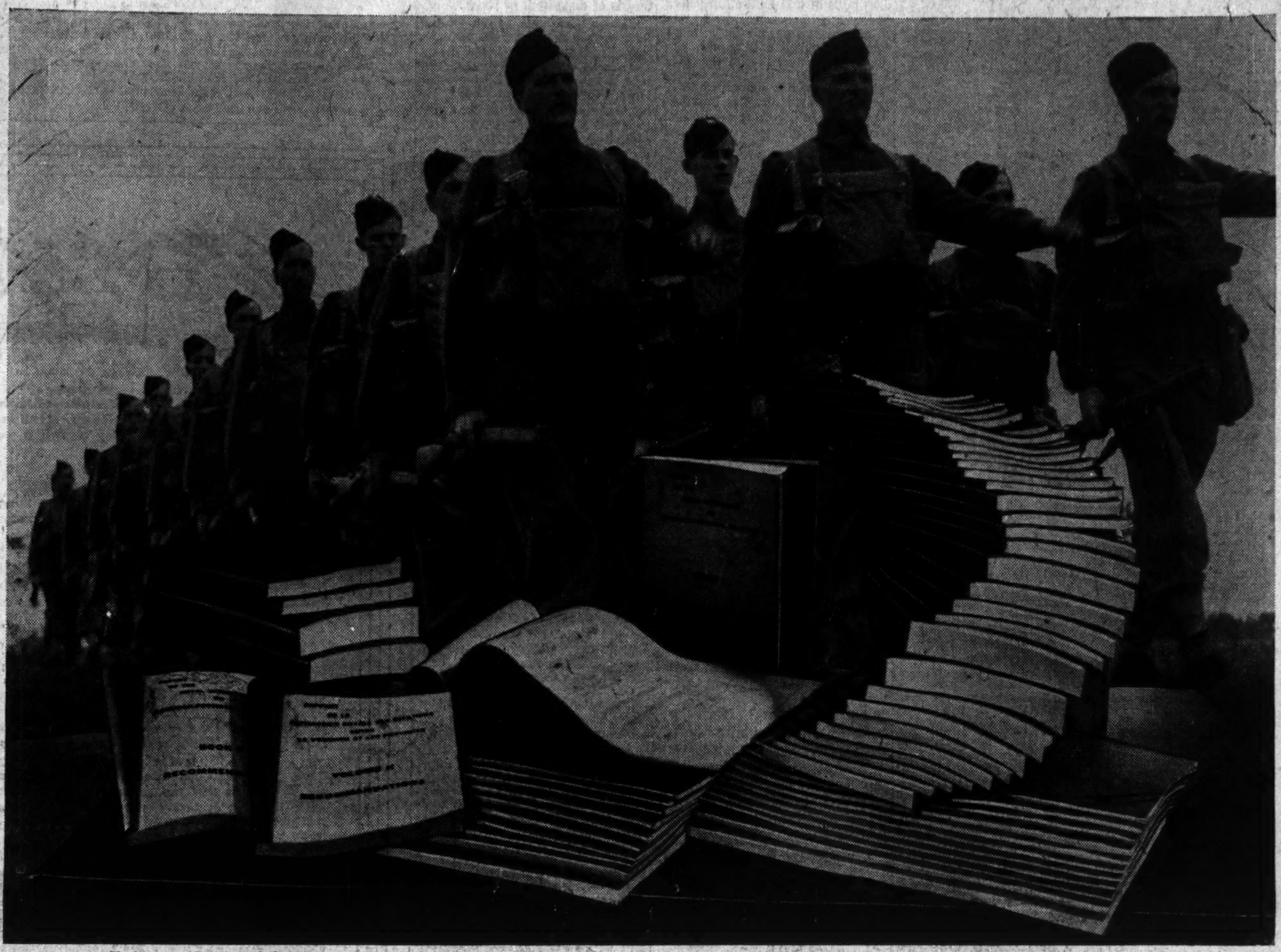
Vol. XXXIV Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, NOVEMBER 23, 1940 10c a Copy; $5.00 a Year No. 47

The Rowell-Sirois Report —

Why It Is Now a Vital War Measure

By **RONALD A. McEACHERN**
Staff Writer, The Financial Post



Urging consideration of the Sirois report, Prime Minister Mackenzie King said: "The goal of Canada's war effort can be nothing less than the most effective organization of all our resources and a real equality of sacrifice. Under present conditions, this goal is unobtainable."

Six months ago, Canada's Fathers of re-Confederation produced an amazing and magnificent document.

In the Rowell-Sirois report on Dominion provincial relations they charted a new economic and financial course — a course they believed must be taken if we are to fulfill the destiny envisaged by those who gave birth to this dominion more than 70 years ago.

This report was prepared and planned almost entirely to meet the needs of Canada at peace. Only in a few concluding remarks did the commission express their conviction that the plan was more than ever necessary for a nation at war.

Today, after nearly 15 months of war, Canadians are coming swiftly to the conclusion that without some such plan of re-Confederation this nation cannot do its part to win the war.

For a nation launched on a terrific, i.e. life or death struggle, what are some of the essentials for victory?

National Unity Supreme Need

Surely they include these:

We want maximum national unity, with all its people and resources co-ordinated for achieving a single purpose.

We want the money cost of ordinary government functions to be as low as possible so as to leave the citizens as much funds as possible to pay the enormous costs of waging war.

We want to create conditions as favorable as possible for efficient industrial production to serve the war.

We want to be ready for the dangerous days after the war.

It is imperative, therefore, to know and understand how the Sirois report, to which the federal government has now given unqualified approval, can speed and ensure these needs.

The Rowell-Sirois blueprint for re-Confederation starts with the reasonable assumption that to have real and lasting national unity, the conditions of life in each province—as far as they can be affected by government action—should be about the same. In other words that Canadians should be about the same kind of people with about the same advantages and opportunities no matter in what province they live.

Hence, it was the aim of the Report to make it possible for each province to have about the same quality and availability of education; about the same standards of public health and the same for other government services.

The shift in powers and responsibilities suggested in the Report aims to transform Canada's provinces into efficient instruments of human need with adequate incomes for doing that job.

All Provinces Gain

On the basis of 1937 figures, here is the effect on provincial and municipal revenues of adoption of the Report:

	Provinces $	Municipalities $	Provincial surplus would be $
P. E. I.	—153,000	+64,000	260,000
N. S.	+996,000	+194,000	800,000
N. B.	+1,315,000	—40,000	2,250,000
Que.	+2,235,000	+12,967,000	1,000,000
Ont.	+5,326,000	+2,388,000	4,700,000
Man.	+1,000	+2,457,000	1,300,000
Sask.	+8,786,000	+500,000	2,650,000
Alta.	+209,000	+1,092,000	2,200,000
B. C.	+2,648,000	+760,000	900,000

The basic and overriding aim of all the recommendations of the Report was to establish conditions, to give natural forces a direction which both immediately and for the future would foster a united Canada, which would provide amicable relations between the provinces and the Dominion and which would break down and prevent the building of the rapidly growing barriers to interprovincial business.

Briefly, the aim is to provide for a governmental system most useful and effective in serving the present-day needs of Canadian people. These needs have become very apparent in the past years of depression. They promise to become of crisis proportions as Canada faces the terrible economic and financial burdens of the present conflict.

Reductions Still Small

What does the Report offer with regard to the second national need: efficient government?

In 14 months of war, Canadian governments, national, provincial and municipal have done little to cut down the ordinary costs of administration; and this despite the enormous burdens already piled on the taxpayer with more still to be loaded on a few steps ahead.

Canadians are still being forced to waste income and wealth that is not serving any good local or national purpose, let alone war purposes, because of the type of government machinery we have.

It is like pouring expensive anti-freeze into a leaky radiator.

So far we seem to be "getting away with it." Actually, we are not!

As yet, only a few people in Canada realize fully just how severe are the fiscal burdens which war has already laid upon us. The whip lash may be whistling through the air, but its cut has yet to be felt.

Nor is it fully appreciated that the already enormous tax burdens must be vastly increased before victory is achieved.

Implementing the Report promises very important savings for the people of Canada. How much, it is impossible to say. But the collection of income, corporation taxes and succession duties and the administration of unemployment relief by a single authority is a saving and a benefit of great significance.

Another important saving will be the decreased cost of tax compliance on the part of Canadian business.

Even more important for wartime is the promise the Report holds out of permitting a coordinated national financial policy; of providing for the logical mobilization of a nation's financial resources to assist in the drive for victory.

Under the present setup, the necessary and well-intentioned financial manoeuvres of provincial and municipal governments may be positively damaging to and completely at cross purposes with the nation's financial operations contrived to assist the war effort.

By establishing a single borrowing policy for all the Canadian governments and having that policy co-ordinated through a central committee as provided for by the Report, there would not only be positive money savings, but it would be generally possible to work out some conformity between national and local need.

The Foreign Exchange Control Board for instance, is putting all Canadian business and millions of Canadians to much inconvenience with its necessary measures to protect Canadian credit and security markets and provide an adequate supply of foreign exchange in order to have cash with which to pay for our vital war purchases in the United States.

As well, about one half of the outstanding provincial debts of the Canadian provinces is payable optionally in other than Canadian funds. Servicing and refunding of these issues will almost certainly be too great a strain for all the provinces if the war continues for several years. Only if we unite to face the issue squarely on a national basis can we hope to avoid provincial collapse and bankruptcy.

Thus one positive advantage the Report holds out for the immediate future is the preventing of more provincial defaults.

That some of the provinces may very shortly default is much more than a bad dream. Alberta has, of course, already defaulted but its "funny money" addiction is widely known and the best of families are forgiven one wayward child.

But other Canadian provinces have enormous bond maturities to meet in the not distant future.

Can they meet them?

The answer to that query is pregnant with meaning for Canada and for all Canadians.

If there are some doubts now, what will be the answer when the full impact of war's cost really hits us in six or twelve months time?

This question is especially serious because of Canada's relationships—financial and otherwise —with the United States.

It is now very clear that the vast majority of American citizens and certainly the administration which it has just returned to office is anxious to give all possible assistance to Canada's and Britain's cause.

At the same time, the Johnson Act requiring us to pay cash on the barrel head for every dollar of goods we buy there is still in effect. To continue to pay cash for vital war commodities, Canada has been forced to restrict her citizens who wish to visit New York or Tampa, to put super taxes on imported automobiles and so on. Even so, Canada is still unable to make her foreign exchange ends meet.

The day may be approaching—how soon it will come is a super secret of the Bank of Canada—when these two countries will have to reshape new fiscal policies. Canada may have to ask for loans and as well run the risk of impairing the U.S. Trade Agreement by curtailing imports from that country.

For Canada to set her house in order, to tidy up her economic and social problems, to install an up-to-date system of national cost accounting, to eliminate cash drawer hanky panky, to take some of the steps that would be elementary to the least competent executive running a business, is clearly the way Canada can give herself the character of a good debtor and make it possible for the rich sympathies of the United States to express themselves fully.

Steps Elementary Wisdom

While Canada's attention is devoted to winning the war, it is elementary wisdom, at the same time, to keep an eye on the kind of Canada we are going to have with peace. We are a peaceful people. Unlike Hitler and Mussolini who claim to regard war as the national destiny, the real reason we are fighting this war is not to win war or defeat Hitler but to make way for a peaceful, secure Canada in which we and our heirs will want to live.

It needs no crystal ball gazing to state that the problems which will face Canada with peace will be enormous and in some respects even greater than wartime problems.

For instance:

The unemployment problem has never been solved. Through the handout system of the past decade, Canada has drugged the patient into unconsciousness and has avoided dealing with the ill. Almost a billion dollars has been spent on unemployment relief and there is nothing to show for it, except a serious decline in the health and morale of a sizeable part of the population.

Never Easier to Handle

Today, unemployment is just about as small as it will ever be in this generation. As soon as there is peace, there will be the demobilization of troops and the cessation of some war industries which will throw Canada back into a situation where the unemployment problem is just about as bad as it ever was.

Surely when the unemployment problem is at its least is the time to establish a different setup. Waiting to do something different — which is obviously inevitable — until the problem again becomes serious is the same as waiting for zero weather to tear out the heating system and start to design a new one.

Already the recommendation of the Report that the Dominion undertake a system of unemployment insurance has been adopted. That machinery is now being brought together and oiled up.

But let us not be misled into thinking that unemployment insurance solves the problem. The other half—or rather the other four fifths, unemployment relief—is still sitting on our doorstep, a real problem child, and one who will start squawking very loudly the minute war is ended.

What are the chances of early action on the Report? Will the Dominion-provincial conference accomplish anything?

Any move in the direction of implementing the Report will have a great measure of popular support behind it. There is a widespread and influential section of Canadian opinion demanding it.

Here is a list of important Canadian organizations that have come out officially and publicly in favor of action on the Report.

Canadian Chamber of Commerce.
Canadian Society of Technical Agriculturists.
Canadian Life Insurance Officers Association.
Canadian Manufacturers Association.
Canadian Construction Association.
Dominion Mortgage and Investments Association.
National Conference on Social Work.
Canadian Federation of Mayors and Municipalities.
Professional Institute of the Civil Service.
Amalgamated Civil Servants of Canada.
Citizens Research Institute of Canada.
Dominion Association of Chartered Accountants.
Junior Chamber of Commerce of Canada.
Canadian Historical Association.
Trades and Labor Congress of Canada.
Union of Municipalities of Quebec.

How They Stand

Here is the latest word on the attitude of the various provincial administrations.

British Columbia is ready to discuss the report in principle though considerable haggling is expected. Recent difficulties in refunding a provincial issue may however have increased the readiness of the Pattullo Government to think about an overhaul.

Alberta's Mr. Aberhart opposes on principle and he is likely to demand big backsheesh in return for any co-operation he may eventually give.

Saskatchewan and Manitoba are ardently in favor.

Ontario is on the fence but thought to be leaning the right way.

Quebec is ready to discuss it in principle.

New Brunswick, Nova Scotia and Prince Edward Island are all in favor.

Ontario's stand is crucial.

Mr. Hepburn's feud with Ottawa has fostered the widespread but probably mistaken belief that his province will oppose. Another and more basic reason for that impression is that Ontario is the only province rich enough to be able to quibble about trading some of its taxing powers for a larger and more adequate income.

So far, about the worst that Ontario has done about the plan is to say: Don't look at it now.

Mr. Hepburn is no fool. He's smart. If people don't start spanking him and making him stubborn about the whole thing, he is quite likely to see the Report's advantages both for Canada and for Ontario.

The deep inscrutable ways of Mr. Mackenzie King, his oracular silences, have yet to be fathomed.

Though he gave no hint until last week as to what he thinks about the Report or its recommendations, this much can be safely surmised: That Mr. King is very aware of the breakdown in Canada's national machinery; that he well understands how a succession of fortuitous events in the past 30 days have so far staved off the day of the reckoning.

Because of the very real benefits the Report offers immediately—as an aid in war winning—and for the future, there are wide grounds for belief that the January conference will not be just time wasting.

What the Big Report Recommends

The Problem

Not since Confederation, 73 years ago has there been a complete overhaul of Canada's machinery of government. Designed for a country of a few sparsely settled colonies, with primitive communications this machinery has very evidently got badly out of alignment.

There is no clear cut division of authority between central, provincial and municipal authorities. There is no uniform scale of taxation. There are glaring differences in debt burdens carried by the various provinces, and, as a result, grave dangers of bankruptcy for some of these units.

The Rowell-Sirois Commission was appointed to make a national stocktaking and to chart a fresh blueprint of government for Canadians.

* * *

The Plan

Basic aims of the Rowell-Sirois report were to preserve national unity by providing for the same standards of government services in all provinces, hence offering all citizens similar advantages of health services, education, etc.; to provide a system of government calculated to be least onerous on all citizens and most efficient in meeting present needs of all citizens.

* * *

Main Recommendations

The Dominion to take over exclusive collection of personal income taxes, corporation taxes and succession duties.

The Dominion to assume all provincial and provincially-guaranteed debts,

—Take over relief of all unemployed employables,

—assume responsibility for making direct operating cost advances to primary industries in cases of national emergency such as disastrous crop failures.

Provinces to surrender existing subsidies from the Dominion.

—In their place the Dominion to pay annually a National Adjustment Grant to some provinces. The amount of these grants irreducible, but subject to increases upward after review, every five years.

Dominion to pay annually to each province a sum equal to 10% of the net income derived from mining, smelting and refining of ores and oils, produced in the province.

Provinces expected to take over municipal debts and control municipal borrowing, these to be payable exclusively in Canadian funds.

Future provincial borrowing to be done either (a) on the credit of Canada after approval of the proposed Finance Committee or (b) as now on the sole credit of the provinces.

Strong inducement is held out to the provinces to do all borrowing through Ottawa, so as to permit a nationally co-ordinated fiscal policy.

Permanent machinery for handling of Dominion-Provincial matters is strongly recommended. This would anticipate and aid in ameliorating sources of friction and cases of duplication and overlapping.

General Suggestions

The report recommends:

Entirely replace the corporation tax eventually with personal income taxes.

Make clear-cut demarcation to solve present confusion in regard to excise and commodity taxes, probably leaving certain main commodities like gasoline for provincial taxation.

Progressive elimination of the sales tax. This is urged partly because it is a tax on costs, partly because, if collected from the manufacturer, each subsequent dealer calculates his profit on the price which he pays—a price which includes the tax, thus pyramiding costs to consumer.

Aid for real estate tax situation is expected from the general tax recommendations. The report says: "We find many instances in which this tax is twice as much in relation to property income for residents of some areas as for those in others." It believes these high taxes are largely due to the municipalities' desperation in securing revenues, some 80% of which is derived from real estate.

Tax-free property belonging to the Crown being used for some normal commercial purposes such as power distribution or provincial liquor stores, the Commission suggests, "should be subjected to taxation on the same terms as that of private enterprises." The Commission also feels that in other Crown properties which involve a municipality in expense there might be some justification for taxation.

Public works should be timed to meet economic needs and the commission recommends a permanent committee on which both Dominion and provinces will be represented with a technical staff to advise on such measures.

Minimum wages, maximum hours, an exclusive Dominion authority, also ages of employment. Each province, however, would have the right to raise these standards.

In industrial disputes the provinces should be empowered to delegate jurisdiction to the Dominion, which should also be empowered to implement recommendations of the International Labor Organization. The report also recommends frequent conferences and close co-operation between Dominion and provincial departments of labor.

Provinces would continue to look after unemployables, indigents and general welfare work. The latter service, however, would not include victims of a national calamity, a general crop failure over a wide area or conceivably a storm which might destroy fishing gear along a wide stretch of coast.

Widows' pensions, mothers' allowances, child welfare, old age pensions and similar service would remain a provincial responsibility.

In education no material changes are recommended though general recommendations are designed to bring material improvements in many provinces.

Uniform companies acts are strongly urged but the report points out that this can be achieved simply by collaboration and without any reallocation in legislative powers.

In insurance it is recommended that provincial powers be undisturbed, but utmost possible definition in the division of powers between provincial and Dominion authorities is urged to prevent continuation of long battles over jurisdiction.

Security frauds prevention is best administered — as at present — by authorities familiar with local conditions, the report suggests, adding, however, that there now appears to be much useless duplication of labor and expense in having substantially the same information supplied in different forms in the various jurisdictions in which a company desires to sell securities.

On railways the Commission recommends that the Dominion should have exclusive jurisdiction over railways, with the exception of street railways, and that no further railways shall be chartered except by the Parliament of Canada.

It recommends a complete review of the entire railway freight structure, but does not find the present situation as bad as was represented by some of the briefs presented.

On rail and highway carrier service, the Commission urges establishing a common regulatory authority which would supervise all forms of public carrier service. This authority would have jurisdiction over motor carriers, merely to the extent of granting franchises to operate, of regulating the service performed for the shipper and the rates charged.

In marketing, it is suggested that the commodities entering largely into inter-provincial and foreign trade should be under the control of the Dominion.

On provincial union the Commission is doubtful if any substantial savings would be effected by amalgamation of prairie or maritime provinces.

On agricultural services, the report finds no serious overlapping though certain inefficiencies in present administration.

On police services, the report sees substantial savings and increased efficiency in all provinces—as six now do—using the R.C.M.P. instead of provincial squads.

The report dismissed claims of the four western and the Maritime Provinces that they should receive special compensation for the alleged adverse effects of Dominion tariff policy. This claim was dismissed for two reasons; the impossibility of a province drawing up a reasonably accurate account for losses incurred because of its membership in a federation and, second, the unreasonableness of the view that the Dominion is liable in damages to provincial governments for the effect of Dominion policies upon a people of the province. The report does suggest, however, that British Columbia should receive some adjustment for the period prior to 1930 on the same basis as Prairie Provinces' subsidies were reviewed.

Pulp and Paper Industry

Newsprint Outlook Favorable

North American Paper Stocks Show Little Overall Change—Canadian Mills Secure Larger Share of U. S. Market

From Our Own Correspondent

MONTREAL.—Two factors in the current newsprint figures lend encouragement to the outlook for the Canadian industry—stocks of paper on hand and Canada's share of the U. S. market.

Last month Canadian mill stocks registered a relatively sharp gain—some 22,000 tons. Ordinarily this would not call for comment. This year, however, stocks of U. S. publishers have been climbing at better than a normal rate and there has been some concern that stocks might again get out of hand.

Publication of the apparent supply of newsprint with U. S. publishers at the end of October, based on returns submitted to the American Newspaper Publishers Association, shows a reversal of trend. Instead of stocks increasing in October, they decreased—from 556,411 to 535,744 tons.

Stocks Remain Constant

This was not enough to offset the gain in mill stocks, but the overall position was practically unchanged. Had stocks continued upward during the past month, there might have been cause for disquietude. The fact that the situation was practically unchanged indicates that matters are well in hand.

At the end of last month publishers and mills had combined stocks of 791,687 tons. This was less than 1,000 tons under that at the close of the preceding month, and 88,000 tons more than a year ago.

The trend of stocks in North America by months this year, with comparative figures for last year, is shown in this table:

North American Newsprint Stocks

	1940	1939
	Tons	
January	*705,267	644,826
February	715,308	657,156
March	685,001	660,108
April	667,605	651,934
May	669,642	650,203
June	681,079	655,768
July	739,172	678,391
August	788,000	695,489
September	790,748	694,323
October	791,687	703,770
November	......	722,041
December	......	683,715

Need More in Reserve

As outlined in previous editions of The Financial Post, the rise in stocks this year, almost solely in publishers' hands, has been due to the need of carrying larger reserves because of possible interruptions to supply and to take care of bulges in circulation arising out of war news. Stocks admittedly are larger than would be carried normally, but are not regarded as excessive in view of prevailing conditions.

Of the 791,687 tons of newsprint on hand in North America at the end of last month, the U. S. publishers had 535,744 tons. This was substantially more than a year ago. Both Canadian and Newfoundland mills reported lower stocks, while those in the U. S. registered a moderate gain.

The change in stocks of newsprint on hand at the end of last month with those reported a year ago, follows:

Breakdown of Stocks
(End of October)

	1940	1939
	Tons	
U. S. publishers	535,744	419,741
Canadian mills	180,326	192,609
Nfld. mills	56,969	79,497
U. S. mills	18,648	15,923
Total	791,687	703,770

More Than Required

For the first 10 months this year the United States supply of newsprint was 3,147,985 tons, or about 54,000 tons less than for the like period of 1939. Current consumption was less, so that approximately 110,000 tons were added to stocks. During the same period of the previous year 309,812 tons were added to reserve.

The supply situation in the States for the January-October period this year, with comparative figures for 1939, is set out below:

U. S. Newsprint Supply
(10 Months Ended Oct.)

From:	1940	1939
Canada	2,153,932	1,770,225
Newfoundland	132,601	67,930
U. S.	829,637	784,349
Europe	*31,815	278,681
Total	3,147,985	3,201,185
Consumption	3,038,110	2,891,373
Added to stocks	109,875	309,812

*9 months only.

Greater Share U. S. Market

The United States is the principal market for Canadian newsprint, accounting for over 80% of total production. The position of the Canadian mills in that market, therefore, is of prime importance. In the first 10 months of 1939, the mills in this country supplied 61% of the total supply made available in that market. This year Canada's percentage of the U. S. market amounts to 69%.

Newfoundland also has improved its position in the American market, trade having doubled over the past year.

The advances made by Canadian and Newfoundland mills have been made at the expense of Scandinavian mills which, because of war conditions, have been practically forced out of the U. S. market. Last year, for example, the Scandinavian mills accounted for 10% of the U. S. supply. This year they accounted for only 1%.

Europe Shut Out

Changes in the source of U. S. supply of newsprint paper are shown in the table following:

Sources of U. S. Supply
January - October

	1940	1939
	%	%
Canada	69	61
Newfoundland	4	2
U. S. mills	26	27
Europe	1	10

Bondholders' Abitibi Plan May Change

Symington Suggests Agreement Gives Power to Distribute Bonds and Stocks

Testifying before the Royal Commission investigating the affairs of Abitibi Power and Paper Company in Toronto, H. J. Symington, chairman of the Bondholders' Protective Committee, stated that the deposit agreement gives the Committee the right to change its plan where such changes are considered in the interests of depositors of bonds.

He amplified this by explaining that, instead of issuing all common stocks, if the committee should buy the properties, it could sell Abitibi to a new company as proposed for some bonds and some stocks. He mentioned as an example that perhaps 50% in bonds and 50% in stocks could be given as a unit. By this unit provision, there will be no necessity to change the warrants which shareholders and creditors would get. The warrant would merely give the right to purchase these units instead of shares alone, as in the "plan of procedure."

No Junior Equity

Mr. Symington emphasized the belief of the Bondholders' Committee that, there was absolutely no equity available for junior security holders.

"There has been no equity; there can be no equity; there is not a chance of bondholders recovering the money owing to them," he hold the commission.

The Bondholders' Committee arrived at the amount of their bid at the Oct. 16 sale in the simplest of fashion. They took the market value of the Abitibi certificates of deposit, on the day before the sale, struck off the odd dollars and arrived at their bid of $30 millions. He emphasized that bondholders would never bid up to the $74 millions of their claims, or $83 millions if U. S. funds are added.

Sees Prices at Peak

Mr. Symington does not think that newsprint prices are going any higher. They are high enough now that a properly run and capitalized company can make money, he said.

On the other side of the picture, is the fact that publishers are not able to pay more for newsprint than they are now doing.

As an example of efforts being made by paper producers to offset the loss of advertising revenue through such items as radio, he mentioned one interesting item. A company in which he is interested carefully investigated the possibility of bringing out a daily paper in New York, to sell for five cents a copy and to carry no advertising. This was to be the outlet for a special type of paper and the backers of the scheme envisioned similar papers appearing in leading United States cities. They would supply this special paper. Success of the venture in New York is not yet clear, he said, although the paper is being published.

Ultra Vires Legislation

The Bondholders' Protective Committee, would have to take the stand that any legislation by Ontario to implement a reorganization plan for Abitibi would be ultra vires. Mr. Justice McTague, chairman of the Commission, commented on this phase of Mr. Symington's evidence. His idea, he maintains, was that if there were a reasonable agreement between the parties, there should be little difficulty in getting some special Dominion legislation to avoid some of the difficulties of reorganizing Abitibi under the Companies Creditors Arrangement Act.

With regard to shareholders and creditors, Mr. Symington maintains, as does the Committee of which he is chairman, that there is no equity available for junior interests and points to earnings of the past few years, and reiterating that 1940's results must be considered abnormal, because of wartime conditions.

Prorating, he maintains, has been an important factor in bringing Abitibi's earnings to the levels reached. He has suggested that the warrants which are to be given to shareholders and creditors would only have to sell at $2 for general creditors to be repaid in full.

Sell Subsidiary Bonds

R. S. McPherson, liquidator, suggested that Abitibi might be able to sell $8.5 millions of Abitibi Electric and Kaministiquia Power Co. bonds, which it now holds in its treasury. Sale of these bonds would not mean that control of these subsidiaries would be relinquished, as Abitibi holds all the common stock in both companies.

He estimated that sale of these bonds would increase Abitibi's cash on hand to about $15 millions, placing the company in the position of having a substantial balance which could be paid bondholders over and above the $10 to $11 millions working capital, which he considers adequate.

Capital expenditures, he maintained, were the chief cause of Abitibi's default.

He maintained that in only five years since 1917 has Abitibi been unable to earn its bond interest, which originally figured at $2.5 millions.

Operations Gain Efficiency

Mr. McPherson thinks that relatively better showings for Abitibi in recent years is due to more efficient operations of the plant. He does not anticipate that the high prices prevailing in 1922 would ever be possible again and emphasized that the company must make its profits by the efficient operation of its plant.

Mr. McPherson gave details of the shareholdings by countries for Abitibi. These show the stock distributed as follows:

	Share-holders	Shares Held
7% Preferred		
Canada	134	7,140
Great Britain	18	795
United States	31	2,020
Other countries	3	45
	186	
6% Preferred		
Canada	2,295	271,490
Great Britain	163	12,388
United States	1,406	63,148
Other countries	64	1,894
	3,928	348,818
Common		
Canada	3,594	734,638
Great Britain	358	172,666
United States	1,609	175,173
Other countries	95	5,640
	5,656	1,088,117

Representing the preferred shareholders' protective committee, A. G. Slaght, K.C., maintained that formation of a new company was not necessary to reorganize Abitibi. Working within the present framework, he felt, would save costs. Financing costs when Abitibi was first launched required $5.5 millions and marketing the preferred shares cost $880,000, he maintained.

Mr. Slaght took issue with the bondholders' protective committee's bid of $30 millions for Abitibi assets. He maintained that these assets are worth at least $100 millions.

Sell Provincial Paper

N. E. Wainwright repeated his recently published views that Provincial Paper Co. could be sold without impairing the welfare of Abitibi as a whole. He also held that the Sturgeon Falls and Espanola plants of the company could again be operated at a profit if paper other than newsprint was made.

This view, in contrast to that of most other witnesses before the Commission, saw an operating value in these two plants. He criticized the Canadian paper manufacturers for concentrating only on newsprint, without building up an export market for other grades of paper. There were at least 12 different grades of paper and cardboard being imported into Great Britain, the Antipodes, the Orient and South America which should be manufactured in Canada, he said.

The Commission has adjourned till Dec. 2.

Nfld. Newsprint Sales Jump

Island's Shipments to October Up a Third Over 1939 Period

From Our Own Correspondent

MONTREAL.—Shipments of newsprint paper from Newfoundland in the first 10 months of 1940 amounted to 312,763 tons. This was more than shipped in all of 1939 or 1938 and compares with returns of 222,615 tons in the first 10 months of 1939.

With expansion of Newfoundland's newsprint trade has come a change in the distribution of the export tonnage. Normally the United Kingdom is the principal market for the island's newsprint, but difficulties created by war conditions, a reduction in consumption, have had their influence upon trade.

Contrary to expectations volume of shipments to the United Kingdom in the first 10 months of this year amounted to 179,587 tons, an increase of more than 23,000 tons over the like period last year. On the other hand, the percentage of shipments to the U. K. in relation to total shipments declined to 57.5.%, as against 69.4% a year ago.

U. S. Buys More

Trade with the United States has undergone expansion this year. To the end of October shipments total 132,601 tons, against 67,390 tons for the like period in 1939. Present indications are that shipments from the Island to the U. S. this year will be the largest ever reported.

On a percentage basis the United States has taken 41.25% of total shipments from Newfoundland to date this year, as against 30.05% last year.

Trend of Shipments

The trend of shipments to the United States and to the United Kingdom this year with comparative figures for last year follow:

Newfoundland Newsprint Shipments

	U.S.		Overseas	
	1940	1939	1940	1939
	tons		tons	
Jan.	12,412	5,548	17,641	8,760
Feb.	6,593	6,123	13,520	5,965
Mar.	12,890	7,317	12,764	10,257
Apr.	7,476	6,511	20,601	9,952
May	20,765	6,991	21,958	18,255
June	15,895	6,293	19,916	14,175
July	14,126	5,765	30,542	14,454
Aug.	12,123	6,450	11,518	39,245
Sept.	16,146	6,828	13,934	24,339
Oct.	14,175	10,104	17,164	8,786
Nov.	.....	14,488	.....	16,288
Dec.	.....	17,915	.....	6,965

Australian Paper Mill Ready Soon

Newsprint Production in Tasmania Expected to Start Next Month

From Our Own Correspondent

MONTREAL.—Production at the new plant of the Australian Newsprint Mills Pty., Boyer, Tasmania, is expected to begin in December and be in full swing in January, according to the Newspaper News of Sydney, Australia.

Construction programme is well within schedule, but there have been unavoidable delays in delivery of certain equipment due to wartime conditions.

Use B. C. Pulp

Capital for the new mill, first of its kind in Australasia, was supplied by a group of Australian newspapers. Eucalyptus wood is being used, mixed with sulphite pulp from British Columbia.

It is not expected that the present rationing of newsprint will be lightened, since the local paper output will necessarily be limited for some time. However, the local production will be an insurance against stoppage of paper imports through enemy action.

Inter. Paper Plan Revived

Plan for Refunding Bonds Now Awaits Approval of S.E.C.

From Our Own Correspondent

MONTREAL. — International Paper Co. plans for a large bond issue have been received following authorization granted by the Public Service Commission to Hudson River Corp. to issue $8 millions of first mortgage 3½% bonds and $6,455,000 of second mortgage 4% bonds at prices to yield $14,535,000.

Early in the summer International Paper filed a registration statement under the Securities Act covering $32 millions of bonds, but offering was deferred pending authorization of the Hudson River Power issues.

One More Approval

The major scheme of financing now hinges on approval by the Securities and Exchange Commission under the Public Utility Holding Act.

Funds realized from the sale of these bonds will be applied toward redemption by Jan. 1 of first and refunding mortgage 5% bonds of International Paper Co., which were assumed by Hudson River Power and outstanding to the amount of $14,135,000. The commission's order stipulated the Hudson River bonds should be sold at not less than 101 and the second mortgage at not less than par. The second mortgage bonds are to be purchased by International Paper.

Apply Restrictions

In the commission's order it is stipulated further that as long as any of the 3½% bonds are outstanding the Hudson River Co. shall make no payments on the second mortgage bonds, subject to certain qualifications.

All stock of Hudson River Power is owned by International Hydro-Electric System, an affiliate of International Paper & Power Co.

U. S. Advertising Linage Declines in October

From Our Own Correspondent

MONTREAL. — Total newspaper advertising in 52 key American cities in October, according to measurements of Media Records and compiled by Editor and Publisher, amounted to 119.6 million lines, or 0.7% less than in the same month a year ago.

Linage was off for four classifications, automotive being the only major one to show an increase.

Department store advertising was off 0.4% and retail showed a gain of only 0.3% for the month.

General advertising at 19.8 million lines was off 6.4% from a year ago, while automotive advertising gained 0.6% to 6.4 million.

Financial advertising showed a drop of 9.1% to 1.7 million lines.

Staff Apartments Built By Pacific Mills Ltd.

From Our Own Correspondent

MONTREAL. — Pacific Mills Ltd. has awarded contract for erection of a second large apartment house building at its pulp and paper plant at Ocean Falls, B.C. The building, according to the Paper Trade Journal, will be erected at a cost of approximately $150,000.

The company erected a similar apartment block earlier this year at the same cost. Work on the new building is starting immediately. It will have accommodation for 42 three-room suites, all modernly equipped.

Newsprint Stocks Rise in October

Tonnage on Hand 20,000 Tons Less Than Year Ago

From Our Own Correspondent

MONTREAL.—Stock of newsprint paper on hand with North American mills at the end of October totalled 255,943 tons, according to the returns compiled by the News Print Service Bureau and the Newsprint Association of Canada. This contrasts with 284,029 tons at the same time last year. During Oct. 1, however, there was a net increase of over 21,600 tons compared with the previous month.

Distribution of stocks as between Canada, the United States and Newfoundland at the end of October, with comparative figures for 1939, follow:

Stocks on Hand
(End of October)

Mills in:	1940	1939
Canada	180,326	192,609
United States	18,648	15,923
Newfoundland	56,969	75,497
Total	255,943	284,029

U. S. Publishers Use More Newsprint

From Our Own Correspondent

MONTREAL. — Consumption of newsprint paper by 421 papers reporting to the American Newspaper Publishers Association amounted to 261,028 tons in October. This represents an increase of 1.3% over the same month last year and 5.7% increase over Oct., 1938, when 431 newspapers reported.

Paper Production In Line With Sales

N.A.C. Policy Provides Close Check of Supply — Index Prepared

From Our Own Correspondent

MONTREAL. — Canada's newsprint production has been kept in line with demand. There is a fluctuation of a few points one way or the other from month to month but, on the whole, the policy of anticipating shipments and setting production accordingly, having in mind stocks on hand at the mills, has been successful.

Results over the last two years are set forth in the following table which shows production and shipments expressed as a percentage of capacity. These figures have been compiled by the Newsprint Association of Canada.

Canadian Newsprint
Production and Sales Ratios

	*1940		†1939	
	Output	Shipped	Output	Shipped
	Percentage of capacity			
Jan.	68.5	66.7	59.8	57.9
Feb.	65.8	60.0	60.0	53.3
Mar.	68.6	64.2	58.6	54.5
Apr.	73.4	72.9	63.4	61.5
May	85.1	87.9	66.4	73.0
June	89.5	96.1	66.4	64.1
July	90.8	92.1	65.3	63.6
Aug.	83.2	87.3	63.0	59.6
Sept.	83.5	84.0	72.7	76.6
Oct.	81.5	75.7	77.5	79.8
Nov.	...	...	79.7	79.4
Dec.	...	...	69.1	75.9

*Annual capacity: 4,367,690 tons.
†Annual capacity: 4,293,361 tons.

New Books . . . . .

Principal James' Great Textbook

THE ECONOMICS OF MONEY, CREDIT AND BANKING. By F. Cyril James. Published by the Ronalds Press Company, New York. Price $4.

This is the third edition of the standard textbook on money and banking, published first in 1930 by the present principal of McGill University. It is a tribute to the industry and concentrative powers of Principal James that he has been able to put through this major revision while breaking himself in as administrative head of Canada's largest "private" university.

A standard "authority" does not lend itself to casual review. Principal James misses no aspect of money, foreign exchange, banking, central banking, or credit. Yet he has kept his study singularly free of personal opinions and of controversial monetary or credit theory. Principal James is, quite obviously, not an economist on a white horse. He is the founder of no school of seductive heresy. He writes neither as pundit nor pontiff.

One basic thought he does express —a very shrewd one: that the experiences of the last few years have shown that monetary and banking questions are largely subordinate to larger questions of social and political philosophy. All the monetary issues that were so burning a few years ago—the future of the gold standard, the relationship of government to banking, etc.—are tied up with the political conflicts in the world.

The revised edition provides a comprehensive study of Canadian banking and credit as modified by the establishment of the Bank of Canada.

The Co-operatives

ABC OF CO-OPERATIVES. By Gerald Richardson. Published by Longmans, Green and Co., Toronto. Price $2.50.

In certain isolated areas in the Maritime Provinces and Newfoundland the co-operative movement has brought new social riches to the people and in not a few instances the economic benefits have been material.

A great deal of nonsense has been published about the co-operative movement in these and other areas, and there are some Utopians who see in the co-operative movement a new blueprint for all society.

The nonsense emanates from those who put their trust in formulas and techniques. Utilization of otherwise wasted hours for study and purposeful work, self-help plus mutual self-help are the real factors that have made a success of co-operation where it has succeeded in the Maritimes and Newfoundland.

Gerald Richardson, author of this volume, is director of the co-operative division of the Commission of Government, of Newfoundland. If we recall correctly he is a product of the training of Father Coady's St. F. X. University group at Antigonish. His little volume is a handbook for co-operative groups. It presents the co-operative movement in a favorable light but not as a cure-all, capable of universal application in any and all social surroundings. Mr. Richardson makes it clear that the price of success is high. Co-operatives do not run themselves, not the successful ones anyway.

Prof. Fay Lectures

ENGLISH ECONOMIC HISTORY MAINLY SINCE 1700. By C. R. Fay. Published by Ryerson Press, Toronto. Price $1.75.

Professor Fay, of Cambridge, once on the staff of the University of Toronto, here collects in one small volume the lectures given in a year of economic teaching.

They have three things in common. They discuss economic matters from the historical viewpoint. They are for advanced students. And each one is playfully whimsical in spots. Dr. Fay even comes close to pulling his own leg over his particular views on co-operation as a form of social organization superior to capitalism.

Several of the lectures deal with money; some with public finance and some with fiscal policy. A few cover problems of trade, labor and industry.

The style of the lectures is provocative. One can imagine that they served to stimulate the student-listeners to further research on their own. They convey information; but their chief quality lies in opening new doors just far enough to make the reader want to see for himself what is on the other side.

Paper Cartels Formed In Northern Europe

From Our Own Correspondent

MONTREAL.—Two new export cartels have been organized by Finnish, Norwegian and Swedish mills, manufacturing cardboard and high-grade paper, according to Consular reports received by the U. S. Department of Commerce. In addition to promoting exports, the new organizations, to be known as "Scanpapp" and "Scanfin," will allocate orders and control production and prices.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
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Pine Falls, Man.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp
News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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SEND THE BOYS THE BEST

What of it?

"Cellophane" is a registered trade mark of Canadian Industries Limited and this cellulose film is a Canadian product made from Canadian raw materials by Canadian workmen at Shawinigan Falls, Que.

What of it? Well, for one thing, Northern Canadian spruce is unrivalled as a basic material in the manufacture of high grade wood pulp and it is from this famous wood that "Cellophane" is made. The "Cellophane" plant at Shawinigan Falls is the most modern of its kind — the quality of transparent cellulose film made at this plant is unsurpassed anywhere in the world.

Another thing — "Cellophane" is the *only* cellulose film made in Canada; it's the *only* film specially designed for Canadian conditions. And particularly important today — because it's made in Canada no foreign exchange is needed for the purchase of "Cellophane".

Third — when your product is advertised as "wrapped in 'Cellophane' " the public *knows* that it is wrapped in a film that is 100% transparent, is grease-proof, oil-proof, moisture-vapour proof and absolutely hygienic. Evidence is that the public appreciates these features. Surveys consistently show that goods in "Cellophane" *sell faster.* And remember: because "Cellophane" is a registered trade mark, the word cannot be used unless the packaging material actually *is* "Cellophane".

Cellophane
TRADE MARK
C-I-L CELLULOSE FILM
C-I-L

". . . and although it had passed through the mails and many hands . . . had been filed and refiled . . . this letter came to the president's office at the crucial moment to present its case with that dignity, weight and distinction which are the inherent qualities of the superfine paper . . ."

SUPERFINE LINEN RECORD

To the experienced judge of paper, Superfine Linen Record needs no introduction, no recommendation save its own excellence. To him it feels, it looks, it is, the modern equivalent of medieval parchment, the finest medium for important communications. Unquestionably it is the most desired of letter paper among men of affairs, because its unusual beauty and richness of texture, crisp dignity and impressiveness command the attention and respect of those they seek to influence.

Canadian paper making reaches its highest plane of perfection in this 100% new-rag paper. Ask your printer, lithographer or engraver.

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High Grade Paper Makers Since 1882
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Business Editors Laud Industrial War Effort

U. S. Journalists Comment Favorably After Recent Ottawa Conference on Canadian Business Tempo, Air Training Plan, Wartime Regulations

Canada's industrial war effort has sincerely impressed the American business paper editors. Recently these experts of the technical press attended a special conference in Ottawa. There they obtained first-hand information from government authorities, saw something of the training of Canada's new army, had a personal glimpse of Canada's industrial front.

This month articles are beginning to appear from these recent visitors in their respective newspapers and magazines. This response has not been as large as might have been anticipated because, apparently, some of the newspaper men were under the impression that proceedings of the conference so far as Canada's war efforts were concerned, were completely off the record. From material actually published, however, three things seemed to have impressed the visitors most;

1. Increased tempo of Canadian business since the war started.
2. The air training plan.
3. Our special wartime legislation in regard to taxes, and various industrial price controls.

Business Booming

Typical is the comment published in the National Petroleum News of Cleveland, Ohio. Writes A. M Petty, news editor of that publication—

"Business is booming in many lines as hundreds of millions spent on war preparation filter down to the man in the street. Department stores are jammed with a Christmas-like rush. Wage increases of 5% to 10% have been widespread. Average earnings have gained 10% to 60% as plants went on full schedules.

"Business as usual is more than a slogan," continues Mr. Petty, "only the hundreds of uniformed men on the streets indicate that the nation is at war."

This observer, however, found Canada facing problems in its war efforts, chief of which was the need for conserving U. S. dollar exchange.

U. S. Exchange

"This figures largely now in every Canadian purchase. The prime consideration in virtually every official decision is how to get more U. S. dollars in exchange for Canadian goods and services and to conserve these dollars to buy war materials in the U. S. which are not available in Canada." Naturally, as editor of a paper primarily interested with petroleum Mr. Petty is concerned with that particular angle of the problem and warns his readers that "with Canada importing about 85% of its petroleum requirements, mostly from the U. S., the Canadian oil industry is vitally concerned with foreign exchange regulations."

Likes Priority Ruling

After summarizing Canadian progress in turning out soldiers and sailors, building 2,000 different structures to house the same and war equipment, the editor of the Daily Metal Trade lauds Canadian wartime legislation.

"Priorities have been established for various essential materials" he says, "in steel, shells and munitions of war are receiving first call, and buildings for plants producing armaments, second place. This rigid control with one man responsible for a particular material has worked very successfully."

Excess Profits Tax

In a similar vein are the comments of Aviation "Canada can teach us a lot about legislation and government regulation of industry," comments the editor of this paper "their problems are similar to ours but they seem to solve them with much greater ease. One example is their Excess Profits Tax Law. This story is complete in 12 short chapters while ours goes on and on and you must hire expensive legal talent to understand it. Their formula is simple—a straight 75% tax on all profits beyond the four-year average, with individual treatment of new or unhealthy industries. Amortization of new defense facilities is extremely flexible—a whole new plant may be bought within the contract or it may spread over several years. How much and how fast is decided by the War Contracts Depreciation Board, and the Dominion Government makes no bones about building plants. They would rather stand the expansion cost than saddle a manufacturer with responsibilities that would impair his future health."

United War Effort

C. E. Wright, managing editor of the Iron Age, was not just content to talk to government and industrial officials. "To understand and valuate the contribution of Canada to the war," he writes, "present and prospective, one must talk with the Canadian people. There is a unity of strength and purpose that becomes more and more apparent to the visitor when he talks with persons in various walks of life, all of whom are determined upon the prosecution of the war to a successful conclusion. The thought that the British Empire can possibly lose the war is not even countenanced. This unity is all the more remarkable when it is realized that three million of 11 million inhabitants are French Canadians, whose pacifist tendencies were considered a likely problem when the war broke out. Today French-Canadians are "doing their bit" with the same readiness as any other Canadian."

Chief Bottlenecks

Chief bottlenecks in Canada's war effort discovered by these American observers were lack of key equipment such as airplane engines, machine tools and a shortage of skilled labor. There were also some candid comments on the late start in getting into production. Thus writes the editor of the Iron Age: "Canada's progress in some directions has been slow because of the fact that except for her airplane and air training programme she got a late start—many months, in fact, elapsed after the outbreak of war before Great Britain looked to the Dominion for important aid in the manufacture of guns, shells, etc..... The shortage of airplane engines for which she must largely depend on the United States has delayed the airplane programme but it is promised that by spring airplanes completely equipped with air and ground crews will be going to Britain by the hundreds per month."

Airplane Engines

Rather less optimistic is American Machinist which states that "while some official talk is heard about building airplane engines in Canada, government officers are fully aware of the obstacles. A shortage of skilled men exists and it will be impossible at this time to get technical men from the United States and England needed in training an engineering and production force. Canada also recognizes the great technical difficulties in getting such a complicated mechanism as an airplane engine into production within a reasonable length of time. It is believed that it would take 18 to 24 months to set up a plant and have it working properly. Nevertheless," reports this observer, "the Empire Air Training Programme is ahead of schedule. Airdromes to have been completed in 1941 and 1942 are now almost ready. Though Canada's war effort will not reach a peak for some months, impressive progress has been made. This is in the face of the fact that the British have been extremely slow in placing volume orders for munitions and aircraft in Canada. Not until after the French debacle did things begin to happen rapidly."

Ottawa Sings Two Tunes

From Our Own Correspondent

OTTAWA.—As the parliamentary session proceeds, political commentators are being driven almost out of their wits trying to piece together statements of cabinet ministers into a common policy.

Thus, Col. J. L. Ralston, Minister of Defense, in the House of Commons on Friday night announced that the training plan has been completely recast so as not to drain men from industry. "I have said it before, and I say it again, that under present conditions it is essential to the completion of equipment and the completion of training of those large numbers of men we now have in the Canadian army, that the needs of war industry for man power be not interfered with."

Thus Hon. J. G. Gardiner, Minister of Agriculture, on Sunday night: "I think it would be wise to stop much of this talk against military training for men who are making planes, munitions, arms and ships. . . . Factory managers who contend they cannot produce to capacity without interfering with the training of men may have to be told by someone just as they are being in Britain that they as factory managers are not good enough for wartime."

In England, of course, Rt. Hon. Ernest Bevin is telling employers who do not train more men for industry that they are living in a "fool's paradise."

"Nickel to Nazis" Hint Exposed as Baseless

Insinuation That Some Canadian Output Leaking Through to Nazis Refuted by Known Facts of Export Control

Known facts completely contradict the insinuation in a recent issue of the New York newspaper, PM, that some Canadian-mined nickel may be filtering through indirect channels to Germany.

Spotted with inaccuracies and unsupported deductions, a report was carried in the newspaper last week under a Montreal date line, signed "Nettie Magder."

The PM report appears based almost entirely on the biased imagination of the writer and a supposed talk with a disgruntled former worker of International Nickel Co. The dispatch claims that "Canadians want to know whether the company's internationalism is letting Canadian-produced nickel reach Germany."

Cannot Corroborate

Referring to Inco's president, Robert C. Stanley, as "Robert C. Walker," PM's correspondent also reports sweepingly that "Canadians deduce" that Japan is reselling nickel from her "huge reserves—probably to Germany." Japan is also said to be still buying nickel in "huge quantities." No supporting data are given for any of these statements, undoubtedly for the reason that such corroboration is not available.

From information supplied The Post from sources both within and outside the International Nickel Co., there is no evidence whatever that Canadian nickel shipments are going anywhere outside of Canada, British destinations, and the United States. And reshipment of Canadian production from the United States appears to be made so remotely possible, by the precautions taken to prevent it, that there is no reason to suppose that any is leaking through.

Japan Cut Off

Shipments to Japan have been entirely cut off since February, The Post is informed, and even before that were rigidly controlled and limited to peacetime volume. All available information is that Japan has no reserves sufficient to allow for shipments of any value to Germany.

Rigid controls imposed by Inco itself, the Canadian Government export permit system, and British authorities, have shut off all shipments to the United States for re-export from that country. Every order from U. S. sources is exhaustively checked by Inco and is not completed until the company and Canadian export control officials are fully satisfied it will not be reshipped from the U. S.

Further Control

The possibility of odd shipments leaking through this tight control is further obviated by the close restrictions placed on exports of war materials and other vital products by U. S. authorities, through their defense production priorities system and control of exports. However, it is unlikely that such additional control would have to be applied, as customers for nickel are relatively few and it is thus comparatively easy to check the validity of shipments.

Even if nickel destined for Germany did leave the United States or any other country, it would have considerable difficulty reaching Germany through the British blockade. And recently an official statement of the British Government declared that all available information indicated Germany was running short of nickel. In any event, the bulk of Inco production is going to meet British and Canadian requirements, and the remainder restricted to known legitimate requirements of U. S. consumers.

Finnish Deal Deplored

The Russians will probably get "Canadian nickel" from the Petsamo mine in Finland but not with the sanction of International Nickel Co.

According to word from London, England, arrangements are being made for the sale of the entire output of nickel ore from mines in the Petsamo region to the Soviet.

No ore has been produced to date and International Nickel officials don't think that any ore can be produced in less than a year although the new reports state shipments will start next spring.

International Nickel officials regard the latest development as further proof of the working together of Germany and Russia. It is considered that Finland has come under German domination and that Russia has now been given the go-ahead signal for the purchase of Petsamo ore. International Nickel has no recent information on the state of its property.

Expect Balance In B. C. Budget

Province Will Show $6 Millions Surplus This Year, Legislature Told

British Columbia will balance its budget in the current year ending March 31, 1941, Hon. John Hart, Minister of Finance, announced in provincial Legislature.

The minister also stated that a fully balanced budget is expected for 1941-42 without increase in taxation.

In the current year the province will report a revenue surplus of $6 millions, which will enable it to finance relief from current revenue, as well as provide full sinking fund provisions and debt retirement charges.

In the first six months revenue totalled $17.9 millions, an increase of $1.7 million over the corresponding period last year.

Expenditure Estimate Up

Expenditure for 1941-42 is estimated at $29.9 millions, an increase of $678,416 over main estimates for the current year. Revenue is estimated at $32 millions. Resulting surplus will permit the Government to cover relief cost, which is estimated at $2 millions.

Three of the largest increases in expenditure are: Education, $250,000; reforestation programme, $77,000, and provincial police, $95,960.

Unemployment relief charges are expected to be considerably lessened in the coming year. There has been a decrease of 22,103, or 57% in the number of employable unemployed persons on relief since the outbreak of war. It is expected that not more than $2.8 millions will be spent for this purpose in the current year, against $3.6 millions last year. The improvement has been brought about by general industrial improvement and war demand for man power, Mr. Hart stated.

Care for 1941 Maturities

Present indications are that revenue will be higher than estimated. If that develops the province will increase debt retirement provision to the amount of the improvement.

Mr. Hart stated that maturities of British Columbia debentures during 1941 will be taken care of without going into the open market. During the year there are debentures and stock of $24.5 millions principal amount maturing. Of this total, $17.2 millions is inscribed stock, which is fully covered by sinking funds. The remaining maturities can be met from the province's resources.

Reduction in debt charges of $1.2 million is indicated by the end of 1941. At Oct. 1 this year net debt decreased $753,169 from the end of the 1939-40 fiscal year. Gross debt totalled $189.2 millions; sinking fund $37.8 millions, leaving net debt of $151.3 millions.

Plan Municipal Survey

Over an eight-year period ending March 31, 1941, the province will show surpluses aggregating $27.7 millions, which are distributed as follows: $12.1 millions to debt retirement; $13.2 millions to unemployment relief, leaving balance of $2.4 millions, which will enable full sinking fund installment.

A survey of municipal needs will be carried out and the provincial government will take action upon the report at the next session of Legislature, Mr. Hart announced. Grants totalling $250,000 have been included in estimates for 1941-42 to enable the municipalities to reduce school tax levies upon real property. Since 1933-34 to the current year the province has increased assistance to the municipalities by $2.1 millions.

BUSINESS BUREAU MOVES

Offices of the Toronto Better Business Bureau are being moved from 19 Melinda St., to Suite 505, 350 Bay St., effective Nov. 25. The new location with three lines to central will allow better service to the public than in the past, officials feel.

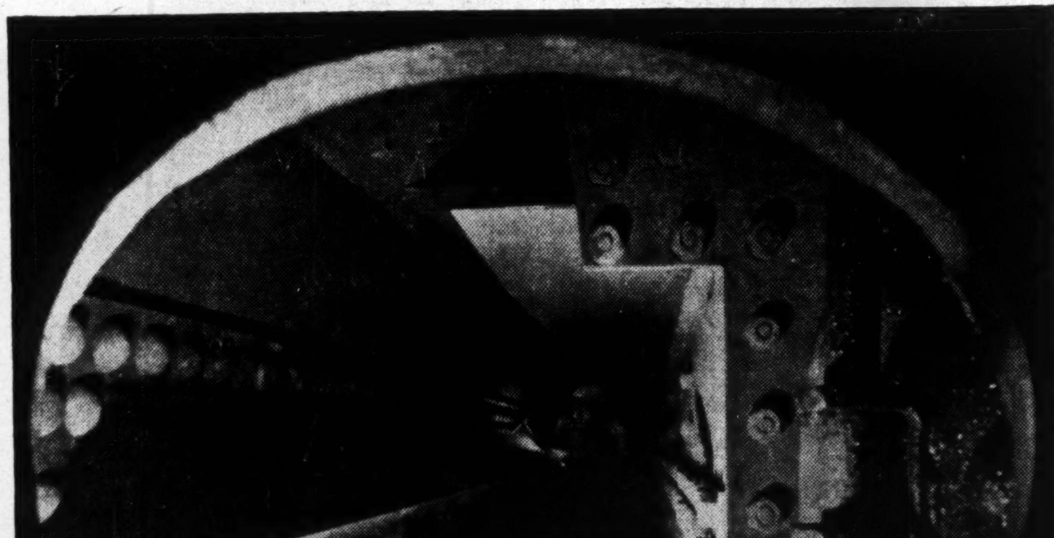
WHY BE CONTENT WITH ANYTHING ELSE

Cadillac

NOW AT THE LOWEST PRICE IN CADILLAC V-8 HISTORY

This is your year to come up to Cadillac—because this year Cadillac has come down to a price lower than ever before. And with this lowest-ever price comes news that today's Cadillac is powered by the most powerful and most economical Cadillac V-8 engine ever built.

CAD-541



HE'S GETTING THE INSIDE STORY

CRAMPED for space, half stifled by the fierce heat lingering within the drum of this colossal power boiler, the inspector crouches at his task. Refusal to trust surface appearances has taken him into this "tight spot." His skeptical scrutiny is typical of his organization — The Boiler Inspection Company.

For this oldest Canadian engineering insurance company, in its efforts to exile breakdown and explosion from boiler-room and engine-room, nothing but the inside story will suffice! This tradition of thoroughness animates every department of The Boiler Inspection Company alike; field force over 40 strong . . . home-office supervisory staff . . . research engineers . . . feed-water laboratory. Their job is to find and weigh significant symptoms.

Such vigilance forms one reason among many why industry turns to The Boiler Inspection Company to safeguard well over 50 per cent. of its insured power equipment.

The Boiler Inspection Company has spent 65 years at the single task of inspecting and protecting power equipment. Ask your Agent or Broker to obtain for you information as to this Company's Inspection Service.

Power Inspection by Power Engineers. Power Insurance by the only Company in Canada specializing in Engineering Insurance.

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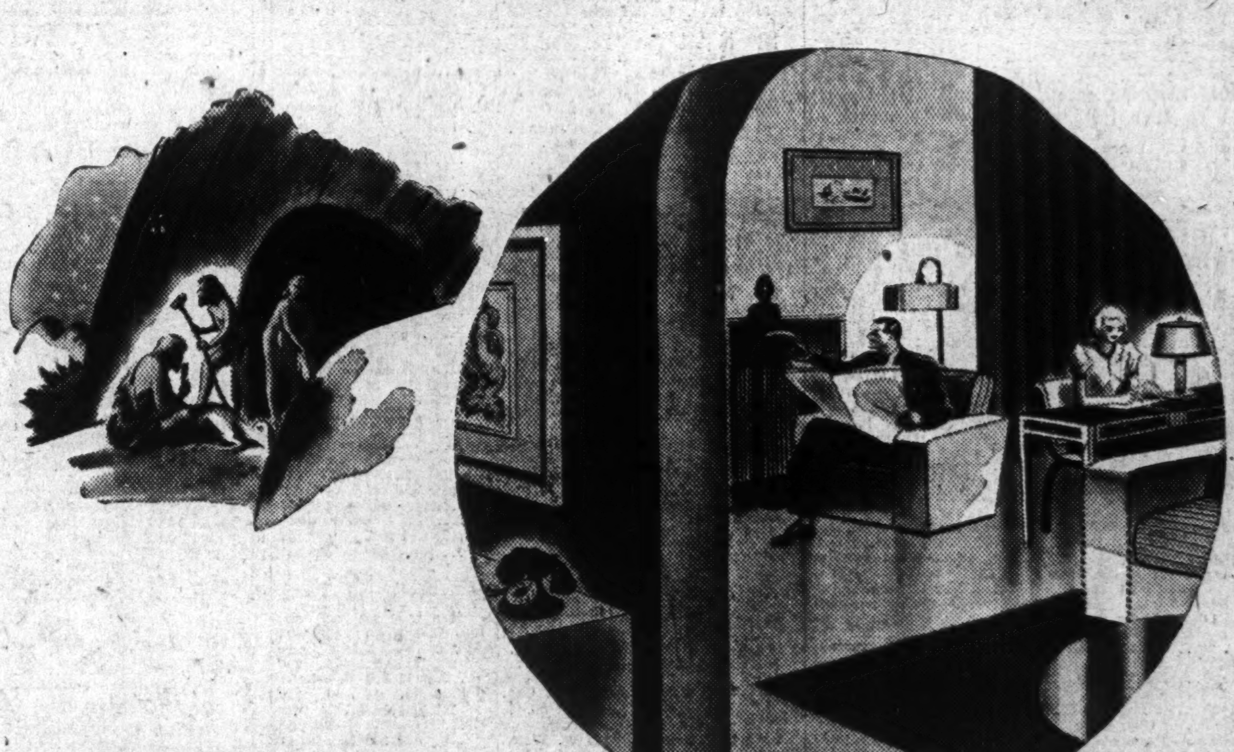
203 Curry Bldg., Winnipeg



Modern man does not live by bread alone—

At the dawn of civilization, men were content to be alive at the end of each day—as they and their families crowded 'round a fire and ate the meat they had hunted. But modern man, particularly in Canada, does not consider the primitive necessities of food, clothing and shelter sufficient for well ordered living.

Today, electricity with all its blessings in speeding manufacture, in giving light, in easing household tasks, in freeing men from drudgery, is taken for granted.

Further, the ease of communication, the facility for vast public amusements, the freedom and swiftness of travel are considered as necessary as well-built, well-lighted, well-heated homes, offices and factories.

The far-flung applications of electricity have been possible because of an abundant supply of copper. That a little copper "goes a long way" in its service to mankind is demonstrated by the fact that a single pound will make 50 feet of 12-gauge wiring for a modern home.

Copper — A Basic Industry

Copper is one of those basic industries through whose development Canada has prospered greatly. And ready to demonstrate the protection, endurance and economy of copper and its many alloys in all forms used in the building as well as manufacturing industries, is Anaconda American Brass Limited. Directly employing more than 1300 Canadian workers in its modern mill at New Toronto, Ontario, it indirectly gives employment to many thousands of others.

ANACONDA Copper and Brass

Anaconda American Brass Limited

(Made-in-Canada Products)

Main Office and Mill: New Toronto, Ontario

Montreal Office: 939 Dominion Square Building

C—1039

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING NOVEMBER 18

Range 1940 High	Range 1940 Low	DivNov16 R'te $	DivNov16 Y'ld %		Sales	Last Nov. 11	Week end. Nov. 18 H	L	Cl'se
				A					
2.50	.50	.	...	Abitibi	1950	1.05	1.05	.90	.90
27¼	2¼	.	...	Do. pref. 6%	3840	9¼	9	6¼	7¼
33	5¼	.	...	Do. pref. 7%	245	12	13	12¾	12¾
6	3	.	...	Acme Glove	....	(2 bid — asked)			
57	45	6.50	...	Do. pref.	....	(45 bid 50 asked)			
12¼	9	60+20c	9.1	Agnew Surp.	5	11¼	11	11	11
110	105	7	6.5	Do. pref.	....	(105 bid — asked)			
3.00	.75	.	...	Alta. Pac. Gr.	....	1.25 bid 2.00 asked			
38	20	.	...	Do. pref.	....	(28¼ bid — asked)			
10¾	7	.	...	Algoma Steel	100	11¾	11¾	10¼	11
100	81	$2.50	..	Do. pref.	....	(88 bid 90¼ asked)			
145	80	6	5.3	Aluminum	742	117	117	112	113¼
125	100¼	6	4.8	Do. pref.	....	(115 bid — asked)			
8¼	5	.	...	Amal. Electric.	....	(5 bid — asked)			
43	34¼	60c	1.7	Amer. Cyn. B.	....	(34¼ July 16)			
49¼	43¼	2.75	6.2	Ang. Can. Tel p	....	(45 bid 50 asked)			
26¼	14¼	60+60c	7¼	Asbestos	246	16¼	16	15¼	16
19¾	12¼	1.35	...	Assoc. Brew.	180	15¾	15¾	15¾	15¾
112¼	109	7	6.2	Do. pref.	10	109	112	112	112
•2	2	.	...	Assoc T. & T.A.	....	(— bid — asked)			
•34	26	48c	...	Do. pref.	....	(— bid 28 asked)			
103	101	5.50	5.3	Ault & Wiborg	....	(99 bid — asked)			
				B					
164	137	8	5.5	Bk. Can. Nat.	4	145	146	145	145
212	170	8	4.2	Bk. Montreal	163	185	190	183	189
315	269	12	4.3	Bk. N. Scotia	19	278	280	278	280
268	200	10	4.1	Bk. Toronto	32	241	245	237½	237½
•3	4¼	.	...	Barcelona	....	(— bid — asked)			
8¼	2	.	...	Barker's Bread.	....	(1¼ bid 2 asked)			
28	19	2.50	13.1	Do. pref.	....	(— bid 30 asked)			
15¼	6¼	1	...	Bathurst Pr.	900	13¼	13¼	12¾	12¾
5	1¾	.	...	Do. (B)	....	(— bid 3¼ asked)			
1.75	.05	.	...	Bawlf Grain	....	(.05 bid .15 asked)			
47	25	.	...	Do. pref.	20	46	47	46	47
5	3	.	...	Beath & Sons	....	(2¼ bid 5 asked)			
5¼	3	.	...	Beatty Bros.	190	4	5	4¼	5
102	90	6	6.1	Do. pref.	65	98	99	99	99
90	88	7	7.9	Do. 2nd pref.	5	88	88	88	88
6¼	2¼	.	...	Beauharnois	1243	5¼	5¼	4¼	5
97¼	80	4	5	Belding Cort.	....	(80 bid 100 asked)			
150	124¼	7	5.6	Do. pref.	....	(120 bid 136 asked)			
169	130	8	5.1	Bell Telephone	420	157	159	156	156
12	9	60+15c	8	Biltmore Hats.	....	(8 bid 9¾ asked)			
9¼	5	.	...	Blue Ribbon	....	(7 bid 7¼ asked)			
42	34	2.50	6.9	Do. pref.	27	36	36	36	36
21	19	1.30	6.3	Brant. Cord. pf.	190	20	20¼	20¼	20¼
10¾	2¼	.	...	Brazilian Tr.	2480	5¾	5¾	5	5
5¼	3	50+25c	..	Brew. & Distil.	30	4¾	4¾	4¾	4¾
6¼	6	30c	5	Bright. T. G.	....	(6¼ bid — asked)			
90	69	6	6.7	Do. pref.	....	(90 bid — asked)			
22¼	14¾	1	5.3	Brit. Amer. Oil	1984	19¼	19¾	18¾	19¼
19¾	9	.	...	B. C. Packers.	....	(12¼ bid 15 asked)			
30	23	2	7.7	B. C. Power A.	345	26¼	26	25¼	26
3¼	1	.	...	Do. (B)	5	1¼	1¼	1¼	1¼
7	4¼	.	...	Bruck S. Mills.	10	5	4¼	4¼	4¼
17¼	12	70+10c	5.2	Building Prod.	205	15¼	15¼	15	15¼
14	6¼	60c	5.4	Burlington St'l.	35	10¼	11	10¼	11
				C					
70	70	.	...	Calgary Power	....	(— bid 75 asked)			
101¼	90	6	6.3	Do. Pref.	....	(10¼ bid — asked)			
5¼	1¾	.	...	Canada Bread.	....	(2¾ bid 3 asked)			
105	90	5	5.2	Do. pref.	....	(97 bid — asked)			
58	35	2.50+37½c▲	5¼	Do. pf. B.	5	45	40	40	40
6	3¾	40c	...	Canada Bud	25	4¼	4¾	4¾	4¾
8¼	3	.	...	Canada Cement	1642	6	6¾	6	6¾
101	75	5	5	Do. pref.	420	99	101	99	100
106	102	5	4.8	Canada Cycle p	6	103	105	105	105
35	24	1.50	5.3	C. & D. Sugar.	330	29	29¼	27¾	28
b22¼	11¾	50c	...	Canada Dry	192	13¼	15¼	13¾	14¾
23	11	1.50	...	Can. Forg. (A)	175	19¼	20	17¾	18
22	13	1.50	...	Do. (B)	25	17	17	17	17
40	25	$4.50	..	Can. Iron	....	(25 bid — asked)			
75	65	$7	...	Do. pref.	....	(65 bid — asked)			
4	1	.	...	Can. Mach'y	....	(3¼ bid — asked)			
32	25	3.50	...	Do. pref.	....	(65 bid — asked)			
39¼	29¾	2	5.4	Can. Malting	130	37	37	37	37
18	9	$1.13	...	Can. Nor. Pr.	210	10	9¼	9¼	9¼
111¼	90	7	7.4	Do. pref.	130	98	97¼	95	95
104¾	65	3+1	4.6	Can. Packers	20	87	88	87	87
.25	.25	.	...	Can. Paving. p.	....	(.25 bid 1.00 asked)			
150	117	8	6	Can. Perman.	16	135	135	134	134
6¼	6¼	$1	...	Can. Starch	....	(6¼ bid — asked)			
110	109	7	6.4	Do. pref.	....	(108 bid — asked)			
8¼	2	.	...	Can. Steamsh's.	2141	5¼	5¼	4	4¼
21¾	9¾	$62½c	..	Do. pref.	1387	17½	18	17	17
15¼	5	$60c	..	Can. Vinegars.	....	(6¼ bid — asked)			
65	40¼	4	6.8	Can. W. Cable.	2	59	57¼	57¼	57¼
24	14	1.25	5.9	Do. (B)	17	20	21	20	20
108¾	105	6.50	6.1	Do. pref.	5	107¼	107	107	107
3	½	.	...	Can. Bakeries.	....	(½ bid 1¼ asked)			
64	30	$3	...	Do. pref.	....	(30 bid 40 asked)			
178	132	8	5.2	Can. Bk. Com.	126	153	157	153	157
2.75	1.05	.	...	Can. Breweries.	550	1.30	1.25	1.25	1.25
31¾	21¾	3	11.8	Do. pref.	722	26	26¼	25¼	26
45	29	1.50+50c	5	Can. Bronze.	15	39	39	39	39
107	102	5	4.8	Do. pref.	5	105	105	105	105
10¾	6	$37½c	..	Can. Canners	....	(7 bid 7½ asked)			
27	17	1+15c■	6	Do. 1st pfd.	318	20	20¼	19¼	19¾
14	7¾	60+15c■	7	Do. 2nd pfd.	395	10¼	10¼	10¾	10¾
16¾	5¾	.	...	Can. Car & F'y	1045	10	9¾	8¾	8¾
29	12¾	.	...	Do. pref.	230	22	22¼	21¼	21¼
37¾	20	1+50c	4.6	Can. Celanese	545	33	32¾	32	32¼
128	104	7+1.16■	..	Do. pref.	108	125	127	124	124
22	20	1	4.5	Do. Rights	....	(23 bid — asked)			
19¼	14	1	6.2	Can. Convert.	....	(17 bid 18 asked)			
120	95	4+2	6.1	Can. Cottons	....	(90 bid 100 asked)			
118	99¼	6	5.2	Do. pref.	....	(105 bid — asked)			
32	9¼	1.50	8.6	Can. Dredge	65	18	17¼	17¼	17¼
101	100	6	6	Can. Fairb. pf.	....	(90 bid 100 asked)			
14¾	5	1.40	...	Can. For. Inv.	....	(10 bid — asked)			
104¼	96	8	7.6	Do. pref.	350	104¼	104¼	104¼	104¼
240	195	8	4.1	Can. Gen. Elec.	....	(200 bid 220 asked)			
9¼	6	50c	...	Can. G. Inv.	....	(7¾ bid 8¼ asked)			
3.62	1.65	15c	...	Can. Ind. Alc.	810	2.25	2.37	2.12	2.25
3.12	1.00	15c	...	Do. (B)	25	2.00	1.95	1.95	1.95
235	175	7	3.1	Can. Indust. B.	....	(216 bid 220 asked)			
175	150	7	4.2	Do. pref.	2	164	165¼	165¼	165¼
.30	.10	.	...	Can. Int. I. Tr.	....	(.10 bid .75 asked)			
45	25	2	8	Do. pref.	....	(38 bid 51 asked)			
18¼	12	1	8.3	Can. Lt. & Pr.	....	(— bid 15 asked)			
20	6	.	...	Can. Locomo.	55	10	11	9¼	11
1.40	.65	4c	...	Can. Marconi.	1100	.95	.95	.90	.95
21¼	11	50+50c	5¼	Can. Oil	345	11	18	16	18
123	109¾	8	6.8	Do. pref.	1	120	117	117	117
8¼	4	.	...	Can. Pacific	26843	5¼	6¼	5¾	6¼
1.50	.25	.	...	C. Pr. & Pa. In.	....	(.50 bid 1.00 asked)			
5	2	.	...	Do. pref.	....	(2¼ bid — asked)			
8¼	2	.	...	Can. Vickers	130	3¾	3¾	3¼	3¼
33	7¾	.	...	Do. pref.	50	15	17¼	16	16
13¼	9¼	1	...	C. Wallpaper A.	....	(8 bid 10 asked)			
13	7	1	...	Do. (B)	25	8	9	9	9
52¼	41	1.50	3.6	Can. West'ho'se	....	(— bid 41 asked)			
5¼	3	†25c	..	Can. Wineries.	25	3	3¼	3¼	3¼
22	13¼	1.50	7.9	Can. Wire Box	70	19	20	19	19
1.75	1.00	.	...	Capital Estates.	29	1.00	1.00	1.00	1.00
119	114	5	4.2	Carnation, pfd.	100	118¼	118¼	118¼	118¼
18	10	50c	...	Catelli Food	....	(9 bid 10 asked)			
14¼	10	75c	...	Do. pref.	....	(10 bid — asked)			
37½	37¼	1	...	Celanese of A c	....	(— bid — asked)			
2.25	1.50	.	...	Celtic Knit	....	1.60 bid 3.00 asked			
160	160	8	5	Cent. Can. L'n	....	(— bid 160 asked)			
102	100	4+1	5	Chart. Trust	....	(— bid 105 asked)			
.54	.10	.	...	Chem. Research	1700	.18	.20	.19	.20
.90	.05	.	...	City Gas & El.	....	(.15 bid — asked)			
.15	.05	.	...	Claude Neon	....	(.05 bid .09 asked)			
1.42	1.00	12c	..	Coast Brew.	500	1.40	1.35	1.35	1.35
9¼	3¼	.	...	Cockshutt Plow	750	6	6¼	5¾	5¾
3.50	1.55	10c	...	Comm. Alcohol	25	1.95	2.00	2.00	2.00
7	5	40c	...	Do. pref.	....	(6 bid — asked)			
4	3¾	$40c.	...	Conduits Nat.	....	(3¾ bid 5¼ asked)			
19	12¼	1+25c	8.4	Cons. Bakeries.	115	14¾	15	14¼	15
.10	.05	.	...	Cons. Div. Sec.	....	(.01 bid .08 asked)			
11	6¼	75c	...	Do. pref.	....	(7¼ bid — asked)			
8¼	3	.	...	Cons. Paper	6341	4¾	5	4¼	4¼
10	3¼	.	...	Cons. Press	25	3¾	4	4	4
75	55	1.25	...	Cons. Sand, pf.	....	(75 bid — asked)			
49	28¼	1+1	4.7	Cons. Smelters.	723	44	43	41¼	42¼
178	140	10	6.2	Consumers' Gas	11	160	162	162	162
68	40	$1.75	..	Corr. P. Box, p.	1	44	40	40	40
31¼	19¾	1.20	4.6	Cosmos Imp.	15	26	26	26	26
32	21	2	7.4	Crown Cork	25	28	27	27	27
3	1¼	.	...	Crown Dom. Oil	....	(1¼ bid — asked)			
35	27	3	8.6	Crow's N. Coal	1	35	31	31	31
2.75	.70	.	...	Cub Aircraft	1000	1.05	1.05	.90	.95
				D, E					
19	9¾	1+10c	10	David & Fre. A	20	10¼	10¼	10¼	10¼
	1	.	...	Do. (B)	....	(— bid 3 asked)			
17	6¼	.	...	de Havilland	....	(10 bid 15 asked)			
92	86	.	...	Do. pref.	....	(75 bid — asked)			
	¾	.	...	Disher Steel	....	(1¼ bid 2 asked)			
	10	.	...	Do. pref.	....	(10 bid 16 asked)			
28	18¼	2.22	7.3	Distill-Seagram	2125	26¼	28	27	27¼
	80	5	5.3	Do. pref.	50	88	95	95	95
	39¾	1	...	Dom. Ang. Inv.	....	(30 bid — asked)			
	70	5	7.2	Do. pref.	....	(60 bid 75 asked)			
	150	10	5.2	Dom. Bank	35	187	188	183	183
	22	1.20	4.2	Dom. Bridge	286	30	30¼	28¼	28¼
	16	1.50	7.2	Dom. Coal, pf.	145	21	21	20	20¾
	20	.	...	Dom. Engineer.	....	(31 bid 39¼ asked)			
	19	1	3.9	Dom. Foundries	716	26	26¼	25	25¼
	103¼	6	5.7	Do. pref.	....	102¼ bid 110 asked			
	115	5	3.9	Dom. Glass	15	126¼	126¼	126¼	126¼
	135	7	4.8	Do. pref.	20	148	145	145	145
	29	1.20+40	5.2	Dom. Oilcloth	....	(— bid 30¼ asked)			
	1.00	.	...	Dom. Scot. Inv.	....	(— bid .90 asked)			
	24¼	$2.25	...	Do. pref.	....	(24¼ bid 25¼ asked)			
	1	.	...	Dom. Square	....	(1¼ bid — asked)			
	6¼	.	...	Dom. St. & C.B.	3747	11¼	11¼	10	10¾
	2	.	...	Dom. Stores	505	6¼	6¼	5¾	5¾
	3	.	...	Dom. Tar & Ch.	425	5¾	5¼	5	5
	75	5.50	6.3	Do. pref.	5	87	87	87	87
	70	5	5.8	Dom. Textile	141	86	86	85¼	86
	140	7	5	Do. pref.	46	140	140	140	140
	1	.	...	Dom. Woollens.	285	2	2	1¾	1¾
	3	.	...	Do. pref.	660	8	8¼	7¼	7¼
	3¼	.	...	Donnacona P.A.	50	6¼	5¼	5¼	5¼
	3	.	...	Do. (B)	250	5¾	5	4¾	4¾
	4	.	...	Dryden Paper.	250	6¾	6¼	6¼	6¼
	.30	.	...	East Koot. Pr.	....	(— bid — asked)			
	5	.	...	Do. pref.	....	(7 bid 10 asked)			
	.50	.	...	East Dairies	195	.50	.50	.50	.50
	3	.	...	Do. pref.	335	6¾	7	7	7
	8	1	7.7	East Steel	10	13¼	13	13	13
	97	7	7	East Theat. pf.	....	(90 bid — asked)			
	3	.	...	Easy Washing.	20	3¼	3¼	3¼	3¼
	18	1.75	...	Economic Inv.	22	21¾	22¼	18	22¼
	7¼	$85c	...	Electrolux	....	(7¼ bid 8 asked)			
	2	.	..	Enam. & Heat.	....	(3 bid — asked)			
	21	2.50	[illegible]	English Electric	10	28	29¼	29¼	29¼
	1¼	.	...	Do. (B)	5	5	5	5	5
	3¼	15c	...	Equitable Life.	29	4¼	5	4¼	5
				F, G					
	2	.	...	Fairchild Air	200	4	3¾	3¼	3¼
	18	1	5	Fam. Players	....	(18 bid 22 asked)			
	20	1.50+25c	6	Fanny Farmer	928	27¼	27¼	27	27
	3¼	.	...	Fleet Aircraft.	1325	7	6¾	5¾	6¼
	.75	.	...	Fleury Bissell	....	(.25 bid .75 asked)			
	[illegible]	.	...	Do. pref.	....	(17 bid 20 asked)			
22¾	13¼	1	5.7	Ford Motors A.	1939	16	18¼	17	17
21¼	14	1	5.6	Do. (B)	10	15	18	18	18
.20	.05	.	...	For. Pr. Secs.	....	(— bid .15 asked)			
15¼	6	$50c	..	Foundation Co.	515	13	13¾	13	13¼
20	6	.	...	Fraser Cos.	40	11	10¼	10¼	10¼
21¾	7¼	.	...	Do. Vot. Tr.	626	13	13	11¾	11¾
.50	.50	.	...	Freiman	....	(— bid — asked)			
38	32	.	...	Do. pref.	....	(34 bid — asked)			
16¼	9	80c	7.3	Gatineau Pwr.	485	11¼	11¾	11	11
97	79	5	5.7	Do. pref.	89	89	90	89	89
105¼	90	5.50	5.7	Do. 5½% pref.	50	96	96	96	96
6	1¼	.	...	Do. Rights	40	1¼	1¼	1¼	1¼
10¾	4¼	.	...	Gen. St. Wares.	358	7¼	7¼	6¾	7
96¼	77	7+76c■	..	Do. pref.	131	94	95	94	94
87	58	2.50+2.50	7	Goodyear T.	5	75	75	75	75
57¼	51	2.50	4.5	Do. pref.	13	54¾	55	55	55
•50	50	$3	...	Gould Pumps p.	....	(— bid — asked)			
8	4	.	...	Gt. Lakes Pap.	....	(2¼ bid 4 asked)			
29	18¼	$75c	...	Do. pref.	....	(— bid 27 asked)			
8	2	.	...	Do. Vot. tr. c	....	(3¼ bid 4 asked)			
27¼	13	$75c	...	Do. Vot. tr. p	100	25	24¼	23¾	23¾
3¼	1¾	.	...	Gt. W Saddlery	....	(1¾ bid 3 asked)			
35	24	$3	...	Do. pref.	....	(30 bid 35 asked)			
14¾	11	60c	5	Greening Wire.	....	(11 bid 11¼ asked)			
1.25	1.25	10c	...	Growers' Wine.	....	(— bid — asked)			
10¼	4	†30c	...	Gurd, Chas.	....	(4¼ bid 5¼ asked)			
107¼	106¼	7	6.5	Do. pref.	....	(— bid 108 asked)			
5¼	2¼	.	...	Gypsum, Lime.	250	4¼	4¼	3¾	4
				H, I					
21¼	21¼	1	4.7	Halifax Fire	....	(18 bid — asked)			
8¼	2¾	.	...	Ham. Bridge	100	5¾	5	5	5
38¼	34	2+75c▲	5	Ham. Cot., pf.	65	36	37	35	37
2.50	.50	.	...	Ham. U. Theat.	....	(.50 bid 1.75 asked)			
75	62	$5.50	..	Do. pref.	34	67	64	62	64
4¾	2¾	20c+10c	.	Harding Carpet	....	(3¼ bid 3¾ asked)			
.25	.25	.	...	Hillcrest Coll.	....	(— bid — asked)			
4	2	.	...	Do. pref.	....	(2¼ bid — asked)			
16	7¼	50c	5	Hinde & Dauch	45	10	11	10	10¾
•20	20	.	...	Holt Renfrew	....	(— bid 14 asked)			
40	20	.	...	Do. pref.	....	(20 bid — asked)			
25	15	1	5.9	Honey Dew	46	16¼	17	16	16
23¼	11¼	.	...	H. Smith Pap.	665	15¼	16	15¼	15¼
106	85	6	6	Do. pref.	10	100	100	100	100
17	10¼	1	9.7	Humberstone S.	..	(13¼ bid 25 asked)			
11	4	.	...	Hunts (A)	....	(4¼ bid 5 asked)			
10¾	5	.	...	Do. (B)	....	(5 bid 6 asked)			
74¼	54	4	6.4	Huron & E. Mt.	....	(52¼ bid 60 asked)			
13	10	80c	...	Do. 20% pd.	....	(— bid 10 asked)			
2¾	2¼	20c	...	Hydro Electric	....	(1¼ bid 2¼ asked)			
220	150	10	5.1	Imperial Bank.	68	200	199	195	196
15¾	8¼	50+12½c	6	Imperial Oil	11646	11¼	11¾	10¼	10¾
16¼	12	40+22½c	4¼	Imperial Tob.	1005	14¼	14¼	13¾	14¼
8	6¼	6%	3.9	Do. pref.	....	(7 bid 8 asked)			
29	18¼	2	10.5	Indust. Accept.	40	19¼	20	19	19
36	28¼	3	...	Inter-City Bak.	....	(20 bid 33 asked)			
51	50	5	10	Inter'c Coal	....	(40 bid — asked)			
120	120	8	6.7	Do. pref.	....	(— bid — asked)			
23	14	1.50	9.4	Inter. Bronze.	200	16	16	16	16
28¼	19¾	1.50	6.8	Do. pref.	195	23¼	22	22	22
.30	.30	3c	...	Int. Coal & C.	....	(.25 bid .40 asked)			
15¼	5	.	...	Int. Metal Ind.	200	9	10	9¼	10
114	90	6+12▲	5.9	Do. pref.	50	102	102	101	102
113¼	85	6+12▲	6	Do. pref. A.	115	98	100¼	98	100¼
116	111¾	5	4.4	Int. Mill., pf.	480	114	114¼	114¼	114¼
47	27¼	2	5.2	Int. Nickel	2454	38¾	38¾	38	38¼
3¼	1	.	...	Int. Paints	....	(1¼ bid 3¾ asked)			
18	11	1+25c▲	...	Do. pref.	....	(13 bid 20 asked)			
23¾	12	.	...	Int. Pap. & P.	30	17¼	18¾	17¼	18¾
80	47	5	6.7	Do. pref.	285	72¼	77	72	74
24	12¼	1.25	8.3	Int. Pete.	7445	16¼	16¼	14¼	15
6	2	.	...	Int. Power	....	(3¼ bid 4 asked)			
96	69	$6.25	..	Do. pref.	10	90	89¾	89¾	89¾
•11¾	10¼	.	...	Int. St. Rlty. A.	....	(— bid 10 asked)			
•4	3¾	.	...	Do. (B)	....	(— bid 4 asked)			
11¼	4¼	.	...	Int. Util. (A)	....	(6 bid 9¼ asked)			
.65	.15	.	...	Do. (B)	....	(.20 bid .35 asked)			
				J, K, L					
14¼	12	68c	...	Jam. Pub. Ser.	....	(11 bid 13¼ asked)			
135	129	7	...	Do. pref.	....	(— bid 129 asked)			
9¼	5	1	...	Kelvinator	5	5	8	8	8
28	9	.	...	L. St. John Pr.	25	15	15	15	15
2.65	.65	.	...	Lake Sulphite.	....	1.25 bid 2.00 asked			
27	14	1	...	Lake of Woods.	235	18	18¼	17¼	17¼
128	110	7	6.3	Do. pref.	....	(108¼ bid — asked)			
55	48¾	4	8.2	Landed Bank.	....	(47 bid 55 asked)			
17	10	70+30c	..	Lang, J. A.	....	(— bid 14¼ asked)			
•3¼	2¼	.	...	Langley's	....	(— bid 1¾ asked)			
27	13	.	...	Do. pref.	....	(15 bid 18 asked)			
13¼	9	80c	7.1	Laura Secord	445	11¼	11¾	11	11¼
9¼	2	.	...	Legare, pref.	30	6	5¼	5¼	5¼
3	3	.	...	Levy Bros.	....	(3 bid — asked)			
5¼	2	.	...	Lindsay, C. W.	185	4¼	4¼	4¼	4¼
53	25	.	...	Do. pref.	45	49	53	53	53
28¼	20	1+25c	4.6	Loblaw (A)	416	26¼	27¼	26¼	27¼
27	20	1+25c	4.8	Do. (B)	200	25¼	26	25¼	26
				M					
1.05	.10	.	...	Mackenzie Air.	51840	1.00	1.00	1.00	1.00
2¼	2¼	.	...	MacKin. Steel	....	(— bid — asked)			
59	59	$2.12½	...	Do. pref.	5	59	55	55	55
22	9	.	...	Maclaren Pr. p.	325	18	18¼	17	17
10	6¼	.	...	M. L. Gardens.	....	(6 bid 10 asked)			
7	4	70c	[illegible]	Do. pref.	....	(6¼ bid 7 asked)			
5¼	1¾	.	...	Maple Leaf M.	315	3¼	3¼	3	3
9¼	3	.	...	Do. pref.	198	5	5	4¼	5
17¼	15	70+10c	..	Maritime Tele.	30	15	16¼	16¼	16¼
17¼	16	70c	4.4	Do. pref.	....	(— bid — asked)			
15	15	.	...	Marcus Loew's.	....	(12 bid — asked)			
•100	100	7+5.25▲		Do. pref.	....	(— bid — asked)			
6¼	2¼	.	...	Massey-Harris	870	4	4¼	3¾	3¾
59¼	25	.	...	Do. pref.	200	36	37	35¼	36
9¼	4¾	.	...	McColl Fron.	665	5¼	6	5¼	5¾
101¼	80	6	6.2	Do. pref.	84	97	96	95¼	95¼
1.65	.75	.	...	Melchers	....	(.70 bid .75 asked)			
6¾	3¼	.	...	Do. pref.	175	4¼	4¼	4¼	4¼
•1¼	1¼	.	...	Mercantile Tran	....	(1¼ bid — asked)			
•5	5	3%	...	Do. pref.	....	(4¾ bid — asked)			
12¼	5	.	...	Mercury Mills.	200	7	7	7	7
47	43	2	4.2	Mitchell, J. S.	....	(— bid 50 asked)			
112	110	7	6.2	Do. pref.	....	(112 bid — asked)			
15¼	5¾	.	...	Mitchell, Robt.	150	10¾	10¾	10¼	10¼
20	12¼	80+40c	8	Mod. Contain.	....	(15¼ bid 17 asked)			
99¼	93	5.50	5.7	Do. pref.	5	96	96	96	96
6	2	.	...	Monarch Knit.	....	(2¼ Oct. 16)			
70	60	7	...	Do. pref.	....	(60 bid 80 asked)			
65	55	4	6.2	Montreal Cot.	47	65	65	65	65
120	107	7	6.2	Do. pref.	5	112	112	112*	112
.25	.10	.	...	Mont. Is. Pr.	....	(.25 bid .50 asked)			
31¾	25	1.50	5	Mont. L. & Pr.	1904	29¾	30	29¼	29¼
50	46¼	.	...	Do. Notes	23	50	49¾	49¼	49¾
15	15	$1.62½	..	Montreal Loan.	....	(15 bid — asked)			
.85	.50	.	...	Mtl. Refr. & S.	....	(— bid .50 asked)			
9	6	1.25	...	Do. pref.	....	(— bid — asked)			
45	38	3.20	8.4	Montreal Tele.	....	(— bid 39 asked)			
59¼	39	6	12.5	Montreal Trams	11	48	48¼	47	48
48	34¼	$1.70+60c	5	Moore Corp.	319	45	45¼	44	45
189	144	7	3.9	Do. pref. (A)	....	(177 bid 186 asked)			
282	210	7	3.2	Do. pref. (B)	....	(265 bid 270 asked)			
.05	.05	.	...	Muirheads	....	(.05 bid .15 asked)			
1	1	.	...	Do. pref.	....	(— bid — asked)			
				N, O					
38	25	2	6.7	Nat. Breweries.	710	31	30¼	30	30
42	32	1.75	4.4	Do. pref.	50	38¼	40	40	40
[illegible]	[illegible]	.	...	Nat. Grocers	276	5	5	5	5
26¼	22	1.50	5.9	Do. pref.	255	25	25¼	25	25
10¼	6¾	.	...	N. Sew. Pipe A	....	(7¼ bid 10 asked)			
69	24	2	4.6	Nat. Steel Car.	215	45	45	43	43¼
193	160	8	4.9	National Tr.	100	160¼	162¼	162¼	162¼
9¼	9¼	60c	..	Neon Prod.	....	(— bid — asked)			
32¼	20	2	7.8	Niag. W. Weav.	....	(25 bid 26 asked)			
6¼	3	.	...	Noorduyn Av.	75	4	4	4	4
1.30	.60	.	...	North Star Oil.	25	1.00	1.00	1.00	1.00
4¼	3¼	35c	...	Do. pref.	435	3¾	3¼	3¼	3¼
93	85	6	7	N. S. L. & Pr.	....	(85 bid — asked)			
107¼	100	6	6	Do. pref.	....	(105 bid — asked)			
33¼	20	1	4.2	Ogilvie Flour	290	24	23¾	23¼	23¾
162	140	7	4.9	Do. pref.	6	150	142	142	142
112	106	5	4.6	Ontario Loan	....	(107¼ bid — asked)			
5¼	4	.	...	Ont. Silknit	....	(— bid 5 asked)			
35	19	.	...	Do. pref.	83	22	32	26¼	32
5	3	.	...	Do. Script	....	(6 bid 9 asked)			
12	5	1	9	Ont. Steel	....	(10 bid 11 asked)			
115	110	7	6.1	Do. pref.	....	(— bid 120 asked)			
4¾	2	.	...	Orange Crush.	....	(2 bid 3¾ asked)			
9¼	5	70c	...	Do. pref.	....	(6¼ bid 8¾ asked)			
13¼	6¾	40c	...	Ott. Car Air.	165	9¼	9¼	9	9¼
12	7¼	1.20	10	Ottawa El. Rly.	....	(12 bid — asked)			
16	9¾	1	8.7	Ott. L. H. & Pr.	20	11¼	12	12	12
103	90	5	5	Do. pref.	10	98	100¼	100	100¼
				P, Q, R					
21	18	3c	...	Pacific Coyle	....	(20 bid — asked)			
111¼	89¼	5+50c	5	Page Hersey	94	109	109	107¼	108
6	3¾	.	...	Pantepec Oil	....	(3¾ bid — asked)			
40	30	2	5	Paton Mfg.	25	35	40	40	40
115	115	7	6.1	Do. pref.	....	(110 bid — asked)			
72	46	3	5.7	Penmans	50	54	53	53	53
135	120	6	5	Do. pref.	40	120	120	120	120
24	14	1+50c	..	Photo Eng.	....	(15 bid 17 asked)			
101	95	7	7.4	Porto Rico Pr p	....	(95 bid 100 asked)			
11¼	5¼	60c	...	Power Corp.	265	8	8	7¼	7¼
106¼	89	6	6.2	Do. pref.	5	96	96	96	96
47	41	3	7.3	Do. 2nd pref.	....	(41 bid 46 asked)			
12¼	6	1	...	Pressed Metals	205	10¼	10¼	10	10
24	9	.	...	Price Bros.	895	14¼	14¼	13	13
80¼	59¼	5¼+1.37½▲		Do. pref.	....	(70 bid 75 asked)			
7¾	4	40c	...	Prov. Transport	380	6¼	6¼	6	6¼
17¼	13	1	6.4	Quebec Power.	15	15¼	15¼	15¼	15¼
4¾	4	.	...	Que. Telephone	30	4	4	4	4
30	24	2	8.3	Real Estate L'n.	....	(24 bid 30 asked)			
6	3	.	...	Regent Knit	200	5	5	5	5
17	10	$1.20	..	Do. pref.	....	(15 bid 18 asked)			
10	4	.	...	Reliance Grain.	....	(3 bid — asked)			
66	64	6.50	9.8	Do. pref.	....	(65 bid — asked)			
28	22	2	9.1	River S. Mill	10	23	22	22	22
3¼	1	.	...	Rogers Majest.	250	2	2¾	2¼	2¼
19¼	12	$75c	...	Rolland Pap.	....	(12¼ bid 14 asked)			
19¼	12	$75c	...	Do. Vot. Trust	25	13	12¼	12¼	12¼
102¼	85	6	6.3	Do. pref.	....	(93 bid — asked)			
190	145¼	8	4.9	Royal Bank	45	165	165	160	160
18	15	80c	4.4	Russell Indust.	5	18	18	18	18
190	135	7	4.2	Do. pref.	5	170	165	165	165
				S					
109	99	5.50	4.8	Saguenay Pr. p.	10	101	105	105	105
36	30	1+50c	4.5	Sangamo	....	(33 bid — asked)			
13¼	3¾	.	...	Sarnia Br. (A)	500	7	13¼	13¼	13¼
2¾	1¼	.	...	Do. (B)	25	2¾	1¾	1¾	1¾
24¼	16	90c	5	Shawinigan Pr.	569	19	18¾	18¼	18¼
15	7	.	...	Sher. Wms.	139	11	11	11	11
126	113	7+5.25▲	6	Do. pref.	....	(115 bid — asked)			
6¾	3	.	...	Silverwoods	....	(4 bid 4¼ asked)			
7¾	5	40+40c▲	..	Do. pref.	70	5¾	5¾	5¾	5¾
9	5¼	60c	...	Simon & Son.	....	(5¼ bid 6¼ asked)			
105	100	7	7	Do. pref.	....	(— bid 107 asked)			
21¼	12	.	...	Simpson, A.	55	15	12	12	12
12¼	3	.	...	Do. (B)	76	6¼	6¼	6	6¼
105	79	6.50+1▲	6¼	Do. pref.	67	100	100¼	99¼	100
130	126	6	4.8	Simpson, R., pf.	....	(132 bid 140 asked)			
15	9¼	80c	6.9	So. Can. Pr.	....	(10¼ bid 11¼ asked)			
112	92	6	5.8	Do. pref.	22	103¼	103¼	103¼	103¼
5¼	2	.	...	St. Law. Corp.	825	3¾	3¾	3	3
21	10¾	80c	4.4	Do. (A)	820	17¼	18	17	17¼
30	17	1+50	7.2	St. Law. Flour.	....	(21 bid 26 asked)			
125	120	7	5.8	Do. pref.	....	(— bid 120 asked)			
52¼	20		...	St. Law. Pap. p	193	44¼	44	41	42
14	7¼	$1.25	..	Stand. Chem.	25	12¼	12¼	12¼	12¼
2	1	.	...	Stand. Clay	....	(— bid 2 asked)			
2.00	.25	.	...	St. Pav. & Mat.	140	.70	.75	.75	.75
6¼	3¼	.	...	Do. pref.	....	(3¼ bid 4 asked)			
50	39	3	6	Stand. Steel, pf.	....	(50 bid 51¼ asked)			
28¼	20	60+60c	5	Stedman Bros.	....	(20¼ bid 25 asked)			
86¼	61¼	1.75‡	5.1	Steel of Can.	145	74¼	75¼	73	73¾
83	62	1.75	2.3	Do. pref.	85	77	76	75¾	76
4	3	.	...	Sterling Coal	....	(3 bid 4 asked)			
.25	.25	.	...	Stop & Shop	....	(— bid .20 asked)			
12¼	10	80c	8	Stuart, D.A., pf.	....	(— bid 14 asked)			
3¼	2¾	.	...	Supersilk H.A.	....	(— bid 3 asked)			
4¾	4	.	...	Do. (B)	....	(— bid — asked)			
82	72	5	6.9	Do. pref.	....	(— bid 80 asked)			
34	27	1+50c	5.5	Sup. Pete. ord.	....	(26 bid 33 asked)			
32	28	1+50c	4.7	Do. com.	....	(27 bid 32 asked)			
				T, U, V					
12	8¾	80c	7.2	Tamblyn	10	11¼	11¼	11¼	11¼
53	52¼	2.50	4.8	Do. pref.	....	(52¼ bid — asked)			
3	3	.	...	Thayers	....	(1¼ bid 2¼ asked)			
36	20	3.50	...	Do. pref.	....	(20 bid 38 asked)			
3.00	.20	.	...	Thrift Stores	....	(2 bid 3 asked)			
12	6	.	...	Do. pref.	....	(9 bid 11 asked)			
13¼	9¼	60c	5.8	Tip Top Tailors	5	10¼	10¼	10¼	10¼
110	100	7	7	Do. pref.	5	105	104¼	104¼	104¼
3.00	.50	.	...	Tooke Bros.	....	(.50 bid — asked)			
12	5	.	...	Do. pref.	....	(8 bid 15 asked)			
32	16	1	4.2	Tor. Elevators.	5	25	24	24	24
49¼	37	2.62½	5.7	Do. pref.	10	44	46	46	46
90	70	4	5	Tor. Gen. Tr.	14	75	80	80	80
98	70¼	5	6.7	Toronto Mtge.	....	(75 bid 80 asked)			
160	145	7	4.8	Tuckett Tob. p.	....	(— bid 145 asked)			
2¾	1¾	.	...	Twin City	5	1¾	1¾	1¾	1¾
28	28	.	...	Do. pref.	....	(— bid — asked)			
17	12	60+20c	6.4	Union Gas	1545	15¾	15¾	15¼	15¼
13¼	12	80c	5.9	Un. Amuse. A.	....	(13 bid — asked)			
13¼	12	80c	6.2	Do. (B)	....	(13 bid — asked)			
•1.05	.90	.	...	Un. Cigar-W.	....	(— bid — asked)			
.85	.60	.	...	United Distill.	500	.70	.72	.72	.72
42	30	3	7.7	United Fuel, pf.	....	(39¼ bid 40 asked)			
10	3	.	...	Do. B. pref.	45	7¼	7¼	7¼	7¼
5¾	2¼	.	...	United Secs.	....	(5¼ Oct. 31)			
6¼	2¾	.	...	United Steel	983	4¼	4¾	4¼	4¼
4¼	1¼	.	...	Viau Bisc.	....	(3¾ bid — asked)			
60	45	5	10	Do. pref.	....	(45 bid — asked)			
				W, Y, Z					
37	22	2	7.2	Wabasso Cot.	153	30	30	28	28
44	29¼	4	9.1	Walker-Good.	3987	42¾	44	42	44
20¾	16	1	5.1	Do. pref.	511	19¼	19¾	19¼	19¼
1.25	.50	5c	...	Walkerville Br.	....	(.65 bid — asked)			
135	120	7	5.4	W. Koot. Pr. pf.	....	(127 bid — asked)			
5	1¼	.	...	West. C. Flour.	....	(1¾ bid 1¾ asked)			
47	21	.	...	Do. pref.	10	27¼	28	28	28
62	40	3	6.6	West Grocers	....	(— bid 50 asked)			
112	103	7	6.7	Do. pref.	....	(110 bid 112 asked)			
11¾	11¾	50c	...	W'minster Pap.	....	(12 bid — asked)			
15	9¼	80c	6.7	Weston Ltd.	325	12	12	11¾	11¾
99	76	5	5.3	Do. pref.	15	95	95	95	95
24¼	16	1	5.4	Wilsils	150	19¼	18¼	18¼	18¼
2.63	.85	.	...	Winnipeg El. A.	645	1.00	1.10	.85	1.00
2.37	1.00	.	...	Do. (B)	50	1.05	1.00	1.00	1.00
12	5	.	...	Do. pref.	5	7	7	7	7
85	60	7	10.4	Wood, A. & J. p	18	70	67	67	67
70	30	.	...	Woods Mfg., pf.	5	35	37¾	37¾	37¾
11	5¼	30c	...	York Knitting.	....	(5¼ bid 8 asked)			
•10[illegible]	100	7	7	Do. 1st pref.	....	(— bid — asked)			
13	8¼	.	...	Zellers	....	(8¾ bid 9¼ asked)			
25	21	1.50	6.2	Do. pref.	65	24	24	24	24

Quotations: •1939. *1938.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1940.
■ Participating.
† Interim.
$ Paid or declared payable in 1940 to date.

Mining Stocks

Week Ending November 18.

Par Val.	Range 1940 High	Range 1940 Low	Company	Sales	Close Nov. 11 (or last)	High for week	Low for week	Close Nov. 18
			A					
No	.38	.10	Aldermac	11,800	.19	.19	.15	.15
1	.06¼	.01	Amm. Gold	1,000	.02	.01½	.01½	.01½
No	3.00	1.30	Anglo-Huronian	140	2.06	2.50	2.50	2.50
No	.40	.25	Argus Interest	......	(.30 bid	.50 asked)		
No	.03	.01	Arno	2,000	.03	.01¾	.01¾	.01¾
1	.17	.04	Arntfield	57,800	.06¾	.08¾	.06¾	.08¾
1	.07	.02	Ashley	3,000	.03¾	.05	.04¾	.05
1	.05	.02	Astoria Quebec	1,062	.04	.04	.04	.04
1	2.68	.90	Aunor Gold	10,635	2.25	2.30	2.12	2.19
			B					
1	.14	.02	Bagamac	4,850	.14	.13	.09	.12½
1	.28	.05	Bankfield	3,200	.10½	.09	.09	.09
No	.33	.07	Base Metals	18,100	.13	.13	.11	.11
1	.09½	.02¾	Bear Exploration	4,500	.05	.05¾	.05	.05¾
1	1.25	.70	Beattie Gold	7,200	1.20	1.25	1.12	1.15
1	.13	.03½	Beaufor	2,500	.07½	.08½	.08	.08½
1	.80	.80	Berens River	49	.80	.80	.80	.80
1	.52½	.10	Bidgood Kirk.	34,900	.16½	.16½	.14	.14½
1	.14	.02	Big Missouri	50	.05¾	.04	.04	.04
1	.11½	.03½	Bobjo	5,800	.09½	.09¾	.08	.08
1	.04¾	.02	Bouscadillac G.M.	......	(.02 bid	.03 asked)		
No	11.25	7.25	Bralorne	536	10.75	10.75	10.50	10.50
1	.06	.01½	Brazil Gold	......	(.... bid	.05 asked)		
1	.01¾	.00¾	Brett Trethewey	2,500	.00¾	.00¾	.00¾	.00¾
1	.88	.28	Broulan Porc.	46,450	.87	.87	.80	.82
1	8.70	2.75	Buffalo Ankerite	300	5.10	5.10	4.80	4.80
No	.04¼	.01½	Buffalo Can.	2,500	.02	.02½	.02	.02½
5	23.50	10.00	Bulolo Gold	1,015	15.50	15.50	15.00	15.50
No	.03½	.01	Bunker Hill	......	(.01½ bid	.... asked)		
			C					
No	.90	.30	Can. Malartic	2,025	.60	.60	.55	.60
1	2.67	1.65	Cariboo Gold	......	(2.15 bid	2.25 asked)		
1	.02¼	.01	Cartier Malartic	......	(.01 bid	.02 asked)		
1	.75	.45	Castle Trethewey	5,000	.56	.55	.55	.55
1	.20	.06	Cen. Cadillac	11,000	.07½	.07½	.07	.07
1	2.55	1.45	Cen. Patricia	4,862	2.08	2.12	1.98	2.00
1	.14	.03	Cen. Porcupine	15,000	.10	.10	.09½	.09¾
1	.21	.08	Century Mining	......	(.... bid	.17 asked)		
1	1.48	.41	Chesterville	22,257	1.43	1.44	1.34	1.40
No	.58	.15	Chromium	2,500	.20	.20	.20	.20
5	2.00	.50	Coast Copper	275	1.25	1.50	1.25	1.25
1	.80	.30	Cochenour Willans	14,200	.80	.78	.72	.75
5	1.65	1.25	Coniagas	600	1.25	1.50	1.50	1.50
No	1.98	1.00	Coniaurum	1,400	1.53	1.55	1.42	1.43
5	49.00	28.50	Cons. Smelters	723	44.00	43.00	41.50	42.50
			D, E					
1	1.35	.50	Delnite	1,084	.75	.90	.80	.90
1	.08½	.03	Denison Nickel	......	(.03 bid	.04 asked)		
No	29.50	16.00	Dome Mines	1,035	27.50	26.50	25.50	25.50
1	.04½	.01½	Dorval Siscoe	1,000	.02	.02	.02	.02
1	.03¾	.00¾	Duparquet	1,500	.01	.01	.01	.01
1	.11½	.02	Duquesne	107,000	.10½	.11½	.09	.10¾
1	4.10	1.95	East Malartic	20,220	3.40	3.40	3.10	3.20
1	1.25	.20	Eldorado	22,050	.37	.40	.37½	.39
			F, G					
No	5.05	1.70	Falconbridge	2,890	2.60	2.75	2.57	2.70
1	.06¼	.01¾	Federal	6,500	.04½	.04½	.04	.04
1	.07	.01	Fernland	......	(.01¼ bid	.03 asked)		
No	.70	.19	Francoeur Gold	40,900	.45	.50	.45	.47
1	.10½	.03½	Gillies Lake	4,500	.04½	.04½	.04	.04½
1	.02¾	.01	Glenora	2,000	.01	.01½	.01¼	.01½
No	.69	.25	God's Lake	6,700	.45½	.45	.41	.41½
1	.23	.08	Goldale	78,760	.16¾	.19	.16½	.18
50c.	.26	.20	Gold Belt	......	(.25 bid	.27 asked)		
1	.26	.05	Gold Eagle	8,000	.07½	.07½	.06	.06
1	.22	.07¾	Golden Gate	17,300	.13½	.14	.12	.12
1	.01¾	.00¾	Goodfish	7,750	.01¾	.01¾	.01½	.01¾
1	.03¾	.01	Graham Bosquet	9,500	.02	.02¾	.02	.02¾
No	.07	.02½	Grandora	......	(.05½ bid	.07 asked)		
1	.04	.02	Grull Wihksne	......	(.01½ bid	.... asked)		
1	.64	.31	Gunnar Gold	2,100	.40	.40	.38	.39
			H, I, J					
1	.03¾	.00¾	Halcrow Swayze	48,000	.01	.02	.01½	.01¾
1	.03¾	.00¾	Halliwell Gold	......	(.01½ bid	.... asked)		
1	8.00	4.50	Hallnor	230	5.60	5.60	5.25	5.25
1	1.48	.54	Hard Rock	12,025	1.15	1.18	1.06	1.11
1	.10	.03	Harker	125	.06¼	.04	.04	.04
1	.57	.30	Hedley Mascot	......	(.55 bid	.56 asked)		
5	15.00	9.50	Hollinger	2,041	13.50	13.50	13.12	13.50
1	.40½	.20	Howey Gold	3,545	.30	.34	.31	.31
No	34.00	19.50	Hudson Bay	2,497	28.50	28.12	26.87	27.00
1	.45	.15	Inspiration	1,750	.25	.28	.27	.28
1	*9.87	7.00	Inter. Mining	......	(.... bid	.... asked)		
No	47.00	27.50	Int. Nickel	2,454	38.75	38.75	38.00	38.25
50c.	1.00	.65	Island Mountain	......	(.85 bid	1.02 asked)		
1	.05	.01	Jacola	......	(.02 bid	.02½ asked)		
1	.42	.13	Jack Waite	74,340	.40	.42	.36	.39
[illegible]	.19	.01	Jellicoe	7,500	.01	.02¼	.02¼	.02¼
1	.04¾	.00½	J. M. Cons. Gold	500	.01	.01¾	.01¾	.01¾
1	.08¾	.01¾	Joliet Quebec	1,200	.01½	.01½	.01½	.01½
			K, L					
1	3.70	1.20	Kerr Addison	34,284	3.55	3.70	3.50	3.65
1	.45	.20	Kerr Lake	......	(.20 bid	.39 asked)		
1	.07	.02	Kirk. Gold Rand.	......	(.02 bid	.... asked)		
1	.32	.10	Kirk. Hud. Bay	......	(.16 bid	.25 asked)		
1	1.54	.70	Kirkland Lake	10,470	1.10	1.10	1.00	1.04
1	.18	.07	Kirk. Townsite	2,400	.10	.09	.09	.09
1	32.00	15.25	Lake Shore	1,185	23.50	22.25	20.00	20.25
No	7.25	4.75	Lamaque Gold	2,174	5.25	5.40	5.20	5.25
1	.22½	.05	Lapa Cadillac	7,550	.09	.08½	.06¾	.07¾
1	.05¼	.01	Lebel Oro	4,500	.01¾	.02	.01¾	.01¾
1	.88	.41	Leitch Gold	10,950	.53	.53	.49	.49
No	3.40	1.71	Little Long Lac	4,135	2.35	2.35	2.25	2.25
			M					
1	4.80	2.25	Macassa	5,250	3.95	4.00	3.85	3.85
1	2.74	1.00	MacLeod Cockshutt	8,150	2.70	2.70	2.54	2.54
1	.70	.20	Madsen Red Lake	51,083	.70	.70	.60	.63
1	1.45	.54	Malartic Gold	60,225	1.30	1.33	1.17	1.24
No	.13½	.03	Mandy	......	(.08 bid	.09 asked)		
No	.01¾	.00¼	Man. & Eastern	......	(.01 bid	.01½ asked)		
1	.04½	.00¾	Maralgo	1,175	.01¾	.01¾	.01	.01
5	58.00	37.25	McIntyre	425	53.25	53.25	51.75	51.75
1	1.47	.85	McKenzie R.L.	28,300	1.36	1.40	1.30	1.36
1	.15½	.04	McVittie Graham	5,000	.06	.07	.07	.07
No	.58	.20	McWatters	5,900	.29	.29½	.26	.26
5	.39	.39	Mentor Exploration	......	(.12 bid	.49 asked)		
No	1.23	.40	Mining Corp.	2,400	.88	.92	.86	.86
1	.05	.05	Moffatt Hall	......	(.... bid	.... asked)		
1	.93½	.36	Moneta	8,950	.59	.60	.55	.55½
1	.08	.02	Morris Kirk.	9,000	.02½	.03½	.02¾	.03
1	.02¼	.01	Murphy	500	.02	.02	.02	.02
			N, O					
1	.37¾	.12	Naybob	218,200	.29½	.31	.28	.29
No	.04¾	.01	Newbec	......	(.02 bid	.02½ asked)		
1	.09½	.05	New Golden Rose	......	(.... bid	.06 asked)		
5	1.45	.75	Nipissing	1,950	1.30	1.45	1.00	1.10
No	78.75	42.75	Noranda	1,317	59.75	60.00	58.75	59.75
No	[illegible].62	.20	Nor. Canada	......	(.50 bid	.55 asked)		
1	.06¾	.02	Norgold	......	(.03¾ bid	.04¾ asked)		
1	.62	.15	Normetals	4,700	.44	.45	.40	.40
1	9.85	6.50	Northern Empire	200	6.30	6.75	6.50	6.50
1	1.85	.50	O'Brien	3,160	.85	.85	.75	.82
1	.34	.10	Omega	4,000	.18	.18	.17½	.17½
1	.10	.04½	Oxisko	1,800	.06	.06	.06	.06
			P, Q, R					
No	2.35	.78	Pamour	37,040	1.36	1.60	1.50	1.54
1	.10¾	.02	Pandora	8,300	.06½	.06¾	.06¾	.06¾
1	.10	.02	Partanen Mal.	10,900	.04	.04½	.04	.04
1	2.65	1.40	Pato Cons. G.	......	(1.80 bid	2.20 asked)		
1	.02	.00¾	Pawnee Kirk.	......	(.... bid	.02 asked)		
1	.53	.20	Paymaster	30,150	.29	.30½	.28	.28½
1	2.35	.99	Pend Oreille	6,700	2.20	2.20	1.98	2.01
1	2.12	1.01	Perron Gold	13,735	1.89	2.06	1.90	1.91
1	4.30	2.12	Pickle Crow	9,275	3.25	3.25	3.10	3.10
1	2.45	1.45	Pioneer Gold B.C.	405	2.44	2.39	2.32	2.32
1	14.50	9.00	Placer Devel.	......	(9.00 bid	10.00 asked)		
1	2.18	.55	Powell Rouyn	2,200	1.18	1.19	1.08	1.08
1	1.42	.68	Premier Gold	3,350	.94½	.95	.91½	.95
1	3.45	1.30	Preston E. Dome.	49,385	3.30	3.45	3.20	3.35
No	.35	.20	Prospectors Air's.	......	(.25 bid	.50 asked)		
1	.42	.20	Quebec Gold	100	.30	.28	.28	.28
No	.08	.01	Quemont	2,000	.01	.04	.04	.04
No	.08½	.01	Red Crest	......	(.02½ bid	.... asked)		
1	.26	.20	Reeves McDonald	500	.20	.24	.24	.24
1	.57	.10	Reno Gold	1,500	.15	.15	.15	.15
1	.00¾	.00½	Robb Montbray	1,000	.00½	.00½	.00½	.00½
1	.06¾	.02¾	Roche Long Lac	700	.02¾	.04	.04	.04
			S, T, U, V, W, Y					
1	2.66	1.25	San Antonio	11,399	2.60	2.65	2.50	2.59
1	.15	.04½	Sand River	1,500	.06½	.05½	.05	.06½
1	.57	.10	Senator Rouyn	24,300	.47	.48	.44	.45
1	.05¾	.01	Shawkey	1,000	.02	.01½	.01½	.01½
50c.	1.24	.75	Sheep Creek	310	.94	.94	.80	.80
1	1.18	.50	Sherritt Gordon	19,613	.96	.94	.83	.89
1	8.75	4.00	Sigma Mines	151	7.45	7.35	7.00	7.25
1	.95	.47	Siscoe	22,415	.56	.56	.50	.52
1	.61	.20	Sladen Malartic	5,500	.50	.48	.44	.48
1	.08¾	.02¾	Slave Lake	32,760	.06	.08¾	.06	.07¾
1	.21	.07¾	St. Anthony	4,500	.10	.09¾	.09	.09¾
No	3.10	1.05	Steep Rock	81,730	1.66	1.93	1.66	1.75
No	.08¼	.03	Straw Lake	20,600	.05½	.05¾	.04¾	.05
1	.21	.09	Sturgeon River	4,000	.20	.19	.18	.19
No	2.05	.80	Sudbury Basin	1,100	1.60	1.60	1.41	1.41
1	.08¾	.03½	Sudbury Contact.	1,500	.04½	.04½	.03½	.03½
1	1.02	.45	Sullivan Cons.	7,300	.62	.63	.60	.63
1	3.45	1.90	Sylvanite	4,092	2.87	2.90	2.82	2.82
1	4.15	2.40	Teck Hughes	8,716	3.35	3.50	3.30	3.45
1	.08¼	.02½	Temiskaming	1,500	.08	.08	.08	.08
1	1.90	1.00	Toburn Gold	1,000	1.50	1.55	1.42	1.55
1	.35	.09	Towagmac	12,000	.14	.15½	.14	.15
No	.44	.40	Trans. Resources.	1,600	.43	.40	.40	.40
1	1.12	.25	Uchi Gold	3,400	.42	.41	.39	.40
	97.00	64.00	Do., Bonds	......	(87.00 bid	90.00 asked)		
1	1.54	.54	Upper Canada	40,725	1.49	1.54	1.44	1.54
No	4.35	1.75	Ventures	2,115	3.25	3.35	3.20	3.20
No	6.05	2.65	Waite Amulet	2,479	4.20	4.15	3.90	3.90
1	.30	.23	Wendigo	4,900	.28	.29	.25	.28
1	.03½	.01	Wiltsey Coughlan	2,000	.02	.02	.02	.02
1	.32	.08	Wood Cadillac	25,400	.10	.10	.09	.09½
No	8.25	4.70	Wright-Hargreaves	6,491	7.05	7.25	7.05	7.20
No	.07	.04	Ymir Girl	7,000	.04½	.04½	.04½	.04½

Oil Stocks

Par Val.	Range 1940 High	Range 1940 Low	Company	Sales	Close Nov. 11 (or last)	High for week	Low for week	Close Nov. 18
No	.08¼	.02	Acme Gas & Oil	5,000	.08	.08¼	.07	.08¼
1	.21	.05½	Alta. Pac. Cons.	1,500	.09	.12	.11	.11
1	.22½	.10	Ajax	1,000	.17	.19	.18	.18
No	1.03	.40	Anglo Canadian	23,250	.64	.75	.63	.65
No	.07	.06	Anaconda	......	(.04½ bid	.05¼ asked)		
No	.18	.04	Br. Dominion	......	(.04 bid	.... asked)		
No	.19¼	.06¼	Brown Oil	11,600	.11	.14	.12	.14
92.50	75.00	65.00	Do., pref.	......	(.... bid	75.00 asked)		
No	2.39	1.00	Calgary & Ed.	13,779	1.63	1.77	1.50	1.55
1	.47	.18	Calmont	15,600	.27	.32	.28	.29
No	.33	.15	Commoil	1,400	.22	.23	.22	.22
No	.32	.10	Common Pete.	1,425	.20	.27	.21	.27
No	.55	.15	Dalhousie	6,450	.37	.40	.32	.35
No	.35	.10½	Davies Pete.	22,100	.17	.21	.15½	.16
No	.08	.02	East Crest	3,000	.05½	.05½	.05	.05½
No	.26	.15	Extension Oil	3,000	.18½	.20	.20	.20
No	.45	.27	Federated Pete.	400	.45	.35	.33	.33
25c.	.09	.05	Firestone Pete.	......	(.05 bid	.05½ asked)		
No	1.05	.30	Foothills	21,400	.60	1.00	.65	.85
25c.	.11	.05	Foundation Pete	2,000	.08	.08	.05	.08
No	.18	.05	Hargal	......	(.05 bid	.20 asked)		
No	.19¼	.07	High Sarcee	4,500	.11	.17½	.14	.14
No	3.10	1.30	Home	68,700	2.55	2.92	2.55	2.66
1	.07½	.01¾	Homestead O. & G.	500	.03	.03	.03	.03
No	.14½	.05	McD. Segur	......	(.05 bid	.07½ asked)		
1	.30	.16	Model	......	(.... bid	.25 asked)		
25c.	.09	.04½	Monarch Royalties	1,000	.05	.06	.06	.06
25c.	.21¼	.04	National Petroleum	......	(.04½ bid	.05 asked)		
1	.07¾	.02	Nordon	900	.04	.04¾	.04¾	.04¾
No	.03¾	.01½	Oil Selections	5,000	.02	.03¼	.02¾	.02¾
No	1.35	.60	Okalta	3,000	.90	.95	.88	.95
No	.07	.02¾	Pacalta	51,900	.05½	.07	.05½	.06
1	.40	.20	Pacific Petroleum	......	(.... bid	.35 asked)		
1	.35	.25	Petrol Oil & Gas	......	(.35 bid	.... asked)		
25c.	.22	.08	Prairie Royalties.	1,000	.09	.08	.08	.08
No	26.50	17.63	Royalite	785	23.50	26.00	23.00	24.00
No	.62½	.20	South West Pete.	20	.35	.30	.30	.30
No	.07½	.01¾	South End	13,000	.02	.02¼	.02	.02
5	2.25	.90	Texas Can.	200	1.45	1.50	1.35	1.35
No	.08¼	.03	United Oils	5,000	.03	.05	.05	.05
1	.17½	.02	Vermilata	......	(.03 bid	.05 asked)		
1	.60	.25	Vulcan	500	.25	.35	.35	.35
No	.04	.01¾	West Flank	7,200	.02	.02	.02	.02

Vancouver Stocks

Par Val.	Range 1940 High	Range 1940 Low	Company	Sales	Close Nov. 11 (or last)	High for week	Low for week	Close Nov. 18
1	.14	.04	Big Missouri	526	.05½	.06½	.04	.06½
No	11.25	7.55	Bralorne	250	10.75	10.50	10.40	10.50
1	.01½	.01½	Bridge River Cons.	......	(.... bid	.01 asked)		
1	2.70	1.65	Cariboo Gold	550	2.25	2.25	2.15	2.25
No	.01¾	.00¾	Dentonia	......	(.00¾ Oct. 15)			
No	.02	.00¾	Fairview Amal.	......	(.00¾ bid	.01 asked)		
1	.28	.10	George Copper	150	.20	.28	.20	.20
1	.05	.02½	Golconda	1,000	.05	.04	.04	.04
50c.	.28	.15	Gold Belt	5,100	.21½	.25	.21	.25
50c.	.20	.08	Grandview	......	(.13½ bid	.15 asked)		
1	.04½	.01½	Grull Wihksne	1,500	.02¾	.02½	.02¾	.02¾
1	.57	.30	Hedley Mascot	8,000	.53	.56	.52	.56
No	.00¾	.00½	Home Gold	......	(.... bid	.00½ asked)		
1	.01	.00½	Indian Mines	......	(.01 bid	.01½ asked)		
50c.	1.10	.63	Island Mountain.	......	(.88 bid	.95 asked)		
1	.38	.30	Inter'l Coal	......	(.32 bid	.... asked)		
50c.	.85	.24	Kootenay Belle	2,300	.27	.27	.26	.27
1	.25	.17	McGillivray Creek	......	(.20 bid	.... asked)		
No	.05½	.01	Minto Mines	......	(.01 bid	.01½ asked)		
50c.	.04¾	.00¾	Nicola	......	(.00¾ bid	.01 asked)		
1	.13	.07	Pacific Nickel	......	(.07 Oct. 28)			
1	2.35	1.05	Pend Oreille	1,300	2.20	2.20	2.00	2.00
1	2.50	1.45	Pioneer Gold	450	2.35	2.40	2.35	2.35
50c.	.02½	.01½	Porter Idaho	......	(.01½ bid	.02 asked)		
No	.01¾	.00¾	Premier Border	10,000	.00¾	.00¾	.00¾	.00¾
1	1.42	.72	Premier Gold	400	.92	.95	.93	.93
No	.94	.37	Privateer Mines	1,720	.60	.60	.50	.57
1	.03½	.01	Quatsino Copper	......	(.02 bid	.03 asked)		
1	.30	.15	Reeves McDonald	500	.21½	.21	.21	.21
1	.14½	.02¾	Relief Arlington	1,500	.03¾	.03½	.03½	.03½
1	.57	.09	Reno Gold	......	(.14 bid	.19 asked)		
1	.06½	.04	Sally Mines	......	(.... bid	.05 asked)		
50c.	.05¾	.02	Salmon Gold	1,000	.02¾	.02¾	.02¾	.02¾
50c.	1.22	.75	Sheep Creek	1,600	.92	.93	.90	.90
1	1.31	.55	Silbak Premier	......	(.60 bid	.75 asked)		
No	.02	.00¾	Silvercrest	......	(.00¾ Nov. 9)			
1	.05	.05	Sunloch	......	(.05 May 11)			
50c.	.11¼	.05	Surf Inlet	......	(.09 bid	.10 asked)		
No	.03	.02	Taylor Bridge	......	(.02 Nov. 6)			
20c.	.01½	.00½	Wellington	......	(.00½ bid	.... asked)		
50c.	.00¾	.00½	Wesko	......	(.... bid	.00½ asked)		
1	.04	.01	Whitewater	6,500	.02	.02½	.02½	.02½
No	.07½	.04	Ymir Yankee Girl	......	(.04 bid	.05 asked)		

Oil Quotations

Par Val.	Range 1940 High	Range 1940 Low	Company	Sales	Close Nov. 11 (or last)	High for week	Low for week	Close Nov. 18
1	.22	.08	Alta. Pac. Cons.	500	.09¼	.09¼	.09¼	.09¼
1	.00¾	.00½	Amalgamated	......	(.00¾ bid	.00¾ asked)		
No	.07¾	.03	Anaconda	5,000	.04½	.04¾	.04½	.04½
No	1.02	.45	Anglo-Canadian	7,500	.66	.70	.62	.62
No	.13	.04	Brit. Dominion	1,600	.05	.05	.04	.05
No	.19¼	.06	Brown Oil	......	(.12 bid	.13 asked)		
No	2.33	1.00	Calgary & Ed.	1,600	1.60	1.73	1.59	1.67
1	.46	.18	Calmont	8,200	.31	.33	.28	.29
No	.32	.17	Commoil	500	.24	.23	.23	.23
1	.29	.16	Commonwealth	1,250	.20	.25	.24	.25
No	.50	.20	Dalhousie	......	(.32 bid	.... asked)		
No	.31	.13	Davies Pete	......	(.... bid	.20 asked)		
No	.08	.02¾	East Crest	1,000	.04½	.05	.05	.05
No	.26	.15½	Extension	2,500	.20	.20½	.20	.20½
No	.40	.30	Federated Petrol.	1,200	.38	.39	.38	.38
25c.	.08¼	.05	Firestone	......	(.04 bid	.05½ asked)		
No	1.05	.38	Foothills	2,300	.52	.93	.65	.93
25c.	.10	.10	Foundation Pete.	......	(.05 bid	.... asked)		
No	.12	.08¼	Four Star	......	(.... bid	.12 asked)		
No	.17	.09	High Sarcee	3,500	.12	.15½	.14½	.15
No	3.10	1.31	Home Oil	8,120	2.58	2.85	2.60	2.73
No	.03	.01¾	Madison	6,000	.02	.02	.02	.02
No	.04½	.00¾	Marjon Oil	1,500	.01¾	.01¾	.01¾	.01¾
No	.15	.05½	McD. Segur Ex.	3,700	.07¾	.07	.05¾	.06
No	.07¾	.03	Mercury	500	.04¾	.04	.04	.04
No	.07¾	.04	Mill City Pete.	......	(.04 bid	.... asked)		
1	.31	.12	Model	400	.21	.20	.20	.20
25c.	.08¼	.04	Monarch Royal.	200	.04½	.05	.05	.05
25c.	.21	.05	National Pete.	......	(.05 bid	.... asked)		
1	.05	.04	Nordon	......	(.04 bid	.... asked)		
No	1.31	.58	Okalta	200	.90	.93	.90	.93
No	.06½	.03	Pacalta Oil	3,500	.06	.06½	.06	.06
1	.42	.19	Pacific Petroleum	500	.25	.30	.28	.28
25c.	.21½	.08	Prairie Royal.	500	.08	.09	.09	.09
No	.19½	.08	Royal Canadian	6,650	.10	.10	.08	.10
No	.10¾	.06	Royal Crest	......	(.07½ Sept. 25)			
No	36.00	17.50	Royalite	......	(22.00 bid	.... asked)		
No	.07½	.03	South End	......	(.03½ May 16)			
No	.60	.21	Southwest Pete.	......	(.25 bid	.40 asked)		
1	.06	.02	Spooner	......	(.05 bid	.... asked)		
25c.	.38	.11½	Sunset Oil	......	(.10 bid	.15 asked)		
No	.09	.03¾	United	3,100	.03½	.05½	.04½	.04½
No	.07	.03¾	Vanalta	3,500	.05¾	.06	.06	.06
1	.63	.23	Vulcan	......	(.32 bid	.40 asked)		
No	.05	.02	West Flank	......	(.02 Nov. 9)			

*Quotations for 1939.

Winnipeg Stocks

(Transactions from Nov. 11 to Nov. 16)

	Sales	High for period	Low for period	Close Nov. 16
Federal Grain, pref.	45	37.00	35.75	35.75
Sachigo Rvier	25	2.50	2.25	2.50
Sun Ray Units	2	126.00	126.00	126.00
Twin Valley Oils	1,000	.22¼	.22¼	.22¼
United Grain Growers	13	10.50	10.00	10.00
Wingold	5,000	.07½	.07	.07

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c.	..	4
Do., pref.	99	102
Can. Airways	1	..
Can. Indemnity	120	..
Federal Grain, c.	..	1¼
Home Invest.	13	..
Nor. Can. Mtg. p.	5	..
North. Trusts	..	8
Traders Bldg.	42	..
West. Brew.	1⅞	2¼
West. Grain, p.	7	9
West. Steel	8½	9
Wings	.15	..

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Nov. 19	10,200	16,900	289,000	......
Nov. 18	11,200	23,300	247,000	......
Nov. 16	9,400	12,900	188,000	12,600
Nov. 15	14,200	13,300	371,000	21,470
Nov. 14	9,900	30,800	453,000	38,220
Nov. 13	22,500	40,200	392,000	33,501

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds
Nov. 20, 1940

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99¾	100¼	.40
5	Nov. '41	103¾	103¾	1.12
1½	May '42	100¼	100¾	1.10
2	June '42	100¾	101¾	1.13
3	Oct. '42	102¾	103¼	1.28
3½	June '43	102	102½	1.49
5	Oct. '43	108¼	109¼	1.73
2	June '44	100¾	101¼	1.84
a2½	Jan. '44	94¼	95½‡	3.77
4½	Oct. '44	108¾	109¼	1.97
2½	Nov. '44	102	102¾	1.79
a2½	Aug. '45	93¾	95‡	3.66
4	Oct. '45	105¼	106	b1.88
4½	Feb. '46	109¾	110¾	2.39
3½	June '49	102	102¾	b2.72
3¾	Oct. '49	102¼	103¼	b2.62
3½	Nov. '51	100¼	101	b3.11
3½	Feb. '52	100¾	101¼	b3.08
a5	May '52	100¼	‡101¾	b3.79
4	Oct. '52	105	105¾	b3.08
3	Oct. '52	98	98¾	3.12
3	June '55	98¼	98¾	3.10
4½	Nov. '56	106¾	107¼	b3.12
4½	Nov. '57	107¼	108	b3.22
3	June '58	97¼	98	3.15
4½	Nov. '58	108	108¾	b3.25
4½	Nov. '59	108¾	109¼	b3.27
a4	Oct. '60	94¼	95½‡	4.32
a3½	Jan. '61	85	86½‡	4.26
3½	June '66	99¼	100¼	b3.23
a3c	Jan. '67	81¾	83‡	4.05
a3c	Nov. '68	81¾	83‡	4.02
†3	Perpet'l.	88¼	89	3.37
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100¼	101¼	1.43
2½	Jan. '46	99¾	100¾	2.12
3	May '44	103¼	104	1.80
3	Dec. '50	98¼	99¼	3.05
3	Feb. '53	97	98	3.20
3	Jan. '59	96	97	3.22
*4½	Sept. '51	112¾	113¾	3.02
*4½	Feb. '56	113¼	114¼	3.32

%	Due	Bid	Ask.	Approx. Yld.
4½	July '57	113¼	114¼	3.37
*4¾	June '55	113¼	116¼	3.36
5	Feb. '54	115¾	116¾	3.44
*5	July '69	112¾	113¾	b2.35
*5	Oct. '69	117	118	b3.16
*5	Feb. '70	116¾	117¾	b3.23
	Grand Trunk Pacific Rly:			
3	Jan. '62	98	99	3.06
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	87	90	4.14
3½	Aug. '49	89¼	91	4.50
3½	June '56	88	90	4.40
c4	Nov. '47	96	98	4.34
c4½	Apr. '61	99	101	4.42
c5	Jan. '60	103	106	4.53
	Nova Scotia:			
3	Jan. '52	91	93	3.75
3½	June '56	92	93¼	3.81
3½	Nov. '50	97	98	3.74
c4½	Sept. '52	105¼	106¼	b3.47
c4½	Nov. '60	106¾	108	3.92
c5	Mar. '60	111¼	113¼	4.00
	Ontario:			
2½	May '45	99¼	100¼	2.40
3	Apr. '48	98¼	99¼	3.11
3	Nov. '50	97	98	3.24
3½	Nov. '51	98¼	99¼	3.30
3½	May '55	98	99	3.34
*4	June '62	103	107	3.53
4½	June '50	108	109	3.39
*4½	Jan. '62	111¼	113¼	3.59
5	Oct. '48	110	111	3.40
*5	Dec. '60	117¼	119¼	3.62
5½	July '46	110¾	111¾	3.21
	Ont. Hydro Commission:			
3	Aug. '48	98	99	3.15
3½	Feb. '53	97¾	98¾	3.37
3½	Apr. '47	101¼	102¼	3.11
	Prince Edward Island:			
3	Oct. '45	94¼	96¼	3.79
	Quebec:			
3	Nov. '47	93¾	94¾	3.86
3½	Mar. '48	95	96	3.88

%	Due	Bid	Ask.	Approx. Yld.
3½	May '59	91¼	93¼	4.09
3½	Feb. '55	95	97	4.02
4	Mar. '52	98¼	100¼	3.98
4½	Aug. '58	100	102	4.09
4½	Jan. '63	103	105	4.18
	Alberta:			
4	Dec. '54	61	65	d
4½	Oct. '51	65	..	d
c4½	Oct. '56	64	68	d
*5	Oct. '59	66	70	d
c5½	Apr. '52	70	74	d
6	Mar. '47	73	77	d
	British Columbia:			
c4	Dec. '57	97¼	101¼	3.88
*4½	Jan. '51	101	105	3.91
c4½	Oct. '53	101	105	4.00
c5	Apr. '54	103¼	107¼	4.28
5½	Feb. '45	102¼	108¼	3.80
6	Feb. '47	104	108	4.51
	Manitoba:			
c4	Dec. '57	90¼	94¼	4.48
c4½	Dec. '56	93	97	4.77
*3	Dec. '59	97	101	4.93
5½	Oct. '55	98¼	102¼	5.25
6	Apr. '47	100	104	5.26
	Saskatchewan:			
4	Sept. '54	76	81	6.03
4	Nov. '60	75	80	5.88
c4½	Oct. '51	84	88	6.00
c4½	Mar. '60	80	84	5.80
5	Aug. '58	84	89	6.01
5½	Oct. '52	90	95	6.10
6	Mar. '52	93¼	98¼	6.18

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Nov. 19, 1940

Industrials:	Bid	Ask.
Acme Farm. D.	25	..
Andian National	29	30¼
Anglo C. Tel., A	8¼	9
Atlas Steel	18¾	..
Barrymore, pfd.	28	..
Blue T. Brew. A	8	9
B. C. Pulp., c.	18	19
Do., pfd.	70	75
B. C. Sugar	73	76
B. C. Tel., 1st p.	111	114
Burns & Co., A	4	5
Do., B	2¼	3¼
Can. Col. Air	3	4
Can. Co-op. Wl.	6¼	8
Can. Cr. Stone p	22	..
C. I. L., A c.	226	..
Can. Ing. Rand	70	73
Can. Mot. L.A.B.	2¼	..
Can. Tube, 1st p.	80	..
Chase, A. W., p.	17	19
Claude Neon, p.	5¼	7
Colonial Steam.	17¼	19
Dom. Manuf., p.	60	65
Dunlop T. p. $25	23	24
Easy Wash. p $10	9¼	10¼
Goderich Elev.	8	8¾
Guard. Realty, p.	15¼	18¼
Guelph Carp., p.	102	105
Do., com.	17	19¼
Gurney Fdry, p.	1¾	1¾
Hayes Steel, c.	10	10¼
Hi'land Dairy, p.	45	..
Homewood San.	100	120
Inglis, John, c.	5	6
Ingram & Bell	22¼	25
Kingston Sh. un	22	24
Loblaw Inc., c.	12¼	13¼

	Bid	Ask.
Minn. O. Pap.	4¼	4¾
Morrison Br. un	..	5
M'row Screw, p.	99	..
Do., com.	10	..
Neilson, Wm., c.	10	..
Do., pfd.	101	..
N. B. Tel., c.	12¼	15
N. Meth. Ldy., p	51	58
Niag. L. A. Br.	50	57
Ont. Tobacco, p.	15	..
Paterson Wm. p	100	..
Prov. Paper, pfd	105	107¼
Ruddy, E. L., p.	22	25
Seal O Sac (Can.)	1	2¼
Stand. Fuel., p.	58¼	63
Stedman, pf. $50	56	59
Tor. Carpet, c.	28	32
Do., pfd.	61	64
Un. F. Co-op.	2¼	3
Un. Steel, A pf.	22¼	24
Viceroy Mfg., p.	23¼	25¼
Trusts & Loan Stocks:		
Brit. Mtge.	130¼	..
Capital Tr.	21¼	26
Com. Fin., c.	2¼	3
Grey & B. Tr. $50	43	47
Guaranty Trust.	98	101
Guelph & C. $50	50	55
Lambton Loan.	32	..
London & West.	33	37
Sherbrooke Tr.	120	..
Sterling Trust	56	..
Traders Fin. A c	10¼	11¼
Do., A pfd.	88	91
Trusts & Guar.	25	27
Victoria Trust	76	84
Insurance Stocks:		
Brit. Amer.	50	56

	Bid	Ask.
Canada Life	385	420
Canadian Fire	78	..
Confed. 30% pd.	135	..
Crown fully pd.	250	270
Dominion Fire	130	..
D. of Can. Gen.	110	..
Empire 25% pd.	5¼	6¾
Excelsior 36% pd	57	62
Federal 25% pd.	51	55
Great-West Life	205	215
Imperial Life	290	310
Manufac. Life	218	240
Sov. L. 25% pd.	13	15
Sun Life	236	275
Tor. General	5	5¾
Wellington Fire	58	..
Western Assce.	40¼	43
Theatre Stocks:		
Allens, Kings. p.	62	66
Do., London p	52	56
Do. St. Cath. p	51	56
Do., Tor. p.	30	35
Mansf. Theat., p	25¼	30
Para., Kitch. p.	50	55
Do., Oshawa, c	9	11
Investment Trust Shares:		
Can. Investors	5¼	6
Deb. & Sec., pf.	62	..
Sec's. Hold., pf.	17	20
United Corp., A	22	..
Do., B	5¼	6¼
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	100	102¼
Gt. Lakes Pr., p	101	103¼
Mtl. Is. Pwr. p.	20	..
Nor. Ont. Pr., p	80	88

Unlisted Mines

Toronto, Nov. 19, 1940

	Bid	Ask
Acordia	.20	.25
Addington	.01	.02
Albany R (Old)	.11	.12
(New)	.24	.27
Amal Kir	.10	.11
Anoki	.06	.07
Aquarius	.23	.26
Arjon	.03	.04½
Armistice	.03	.05
Argosy	.07¾	.08¼
Area	[illegible]	[illegible]
Arno	[illegible]	[illegible]
Athona (Old)	[illegible]	[illegible]
(New)	[illegible]	[illegible]
Barb Lar	[illegible]	[illegible]
Bilmac	[illegible]	[illegible]
Bonetal	[illegible]	[illegible]
Brock	[illegible]	[illegible]
Buff Bear	[illegible]	[illegible]
Calder Bo	[illegible]	[illegible]
Central M	[illegible]	[illegible]
Cheminis	[illegible]	[illegible]
Coin Lake	[illegible]	[illegible]
Cons Chib	[illegible]	[illegible]
Crescent	[illegible]	[illegible]

	Bid	Ask
Dayton	.01	.01½
Demp Cad	.01	.01½
Desantis n	.21½	.22½
Dona Pat	.02	.03
E Lacoma	.00½	.01
Elmos	.07	..
Franco	.30	.35
Galore	.01½	.03
Gilbec	.00½	.01
Gordon Lb	.01	.02

	Bid	Ask
Martin Br	.03	.03¾
Manik'u	3.35	3.60
Margaret	.10	.12
Mata Can	.05½	.06½
Mata Con	.18	.20
Mof Hal n	.01½	.02
Monarch	.02	.02½
Mooshla	.01	.02
Mosher	.07	.08
McGregor	.02	[illegible]

	Bid	Ask
Pelangio	.02	.02½
Polaris	.11	.13
Propri'y	2.50	2.95
Presdor	.03½	.04½
Queb Mn	.06	.07
Rahn Lke	.01½	.02½
Rand Ml	.13	.14
Red Lake	.02	.03
Sachigo	2.85	3.10

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

[illegible]

Supplementary Bond and Stock Quotations

Furnished by Plaxton, Cherry & Co., Toronto

[illegible]

Investment Trusts

[illegible]

Sherwin-Williams Co. Pays On Arrears

From Our Own Correspondent

MONTREAL.—Sherwin-Williams Co. of Canada has declared dividends totalling $3.50 a share on the preferred stock on account of arrears. One dividend of $1.75 is for the quarter ended Nov. 30, 1939, and the other for the quarter ended Feb. 29, 1940. Both are payable Jan. 2, 1941, to shareholders of record Dec. 2. Following payment, arrears will be $5.25 a share.

Municipal Bonds

Nov. 19, 1940

	%	Due	Bid	Ask	Yld.
†Halifax	5	1961	[illegible]	[illegible]	[illegible]
Hamilton	5	1950	[illegible]	[illegible]	[illegible]
Montreal	5	1945	[illegible]	[illegible]	[illegible]
Ottawa	4½	1945	[illegible]	[illegible]	[illegible]
†Quebec	5	1959	[illegible]	[illegible]	[illegible]
Saint John	5	1950	[illegible]	[illegible]	[illegible]
†Toronto	4½	1955	[illegible]	[illegible]	[illegible]
†Vancouver	5	1950	[illegible]	[illegible]	[illegible]
Winnipeg	5	1944	[illegible]	[illegible]	[illegible]

‡Payable Can. and N.Y.

Annual Meetings

1940	Company	Place
Nov. 27	Imperial Bank	Toronto
Nov. 28	Argus Interests	Toronto
Nov. 28	United Farmers Co-op.	Toronto
Nov. 29	O'Brien Gold Mines	Montreal
Nov. 29	Western Can. Flour	Toronto
Dec. 2	Bank of Montreal	Montreal

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, p.	$1.75	Dec. 31	Dec. 15
Asbestos Corp.	15c	Dec. 31	Dec. 15
Do., bonus	15c	Dec. 31	Dec. 15
Alta. W. Pres., p.	$1.75	Jan. 2	Dec. 23
Aluminium	$1.50	Dec. 5	Nov. 20
Do., pref.	†$1.50	Dec. 1	Nov. 15
Anglo-Huronian	10c	Dec. 30	Dec. 16
Ang. Can. Tel., A	15c	Dec. 2	Nov. 15
Andian National	†$1	Dec. 2	Nov. 20
Do., extra	†50c	Dec. 2	Nov. 20
Assoc. Brew.	60c	Dec. 21	Dec. 14
Do., pref.	$1.75	Jan. 2	Dec. 14
Bulolo Gold	$1.50	Dec. 16	Nov. 21
Bk. Nova Scotia	$3	Jan 2	Dec. 16
Brit. Amer. Oil	25c	Jan. 2	Dec. 12
Bk. Can. Nationale	$2	Dec. 1	Nov. 15
Bank of Montreal	$2	Dec. 2	Oct. 31
Bank of Toronto	$2.50	Dec. 2	Nov. 15
Beattie Gold	4c	Dec. 5	Nov. 15
Do., extra	■2c	Dec. 5	Nov. 15
Bathurst Pr., A	25c	Dec. 23	Dec. 5
Bright, T. G.	7½c	Dec. 16	Nov. 30
Do., pref.	$1.50	Dec. 16	Nov. 30
Broulan Porc.	3c	Dec. 21	Dec. 6
Cariboo Gold	4c	Jan. 2	Dec. 3
Do., extra	2c	Jan. 2	Dec. 3
Cel. of Am., stk. div.	*	Dec. 10	Oct. 11
Do., prior pf.	†$1.75	Jan. 1 '41	Dec. 17
Do., part. pfd.	†$3.50	Dec. 31	Dec. 17
Can. W. & Cable, A	$1	Dec. 15	Nov. 30
Do., B	50c	Dec. 15	Nov. 30
Do., pref.	$1.62½	Dec. 15	Nov. 30
Can. Gen. Elec.	$2	Jan. 2	Dec. 14
Can. Int. Inv. Tr., p	50c	Dec. 2	Nov. 15
Chesterville L.	▴5c	Dec. 14	Nov. 25
Confed. Amuse., pf.	$3	Dec. 4	Nov. 15
Coniaurum M.	4c	Dec. 5	Nov. 15
Do., extra	■2c	Dec. 5	Nov. 15
Crow's Nest Coal	$1.50	Dec. 2	Nov. 7
Commoil	1½c	Nov. 25	Nov. 15
Canada Cement, p.	$1.25	Dec. 20	Nov. 30
Can Ind. Alc., A B	15c	Nov. 30	Nov. 20
Can. Malartic G.	■2c	Dec. 17	Nov. 28
Can. Indemnity	$3	Jan. 2	Dec. 20
Do., bonus	$2	Jan. 2	Dec. 20
Canadian Fire	$2	Jan. 2	Dec. 20
Confederation Life	$1.50	Dec. 31	Dec. 25
Canada Bud Brew.	20c	Dec. 12	Dec. 6
Can. Tube & Stl., p.	$3	Dec. 16	Dec. 7
Can. Dom. Sugar	37½c	Dec. 1	Nov. 15
Can. Foundries, A	37½c	Dec. 16	Dec. 2
Do., B	$1.50	Dec. 18	Dec. 2
Cap. W. Cloth, p.	37c	Dec. 15	Dec. 10
Catelli Food	25c	Nov. 30	Nov. 22
Do., pref.	37c	Nov. 30	Nov. 22
Canada Vinegars	10c	Dec. 2	Nov. 20
Can. Indust., A, B	$1.75	Dec. 20	Dec. 14
Do., pref.	$1.75	Jan. 15	Dec. 31
Dom. Foundries, p.	$1.50	Dec. 2	Nov. 20
Dom. Scot. Inv., p.	50c	Dec. 2	Nov. 20
Deb. & Secs., pref.	$2.50	Jan. 1	Dec. 23
Distil.-Seag., c.	55½c	Dec. 16	Dec. 2
Davies Pete.	1c	Nov. 25	Nov. 15
Dominion Coal, pf.	38c	Jan. 2	Dec. 14
Dom. & Ang. Inv. p	$1.25	Dec. 2	Nov. 15
Dome Mines	■50c	Jan. 20	Dec. 31
Dom. Bridge	30c	Nov. 25	Oct. 31
East Malartic M.	10c	Dec. 2	Nov. 1
Extension Oil	2c	Nov. 30	Nov. 23
English Elec., A	62½c	Dec. 16	Nov. 30
Fanny Farmer	37½c	Dec. 20	Dec. 5
Do., extra	25c	Dec. 20	Dec. 5
Ford Motor, A, B	25c	Dec. 21	Nov. 30
Francoeur Gold	▴3c	Dec. 20	Dec. 5
Goldale Mines	2c	Dec. 18	Dec. 3
Growers' Wine	5c	Dec. 15	Dec. 10
Granby Cons.	■†15c	Dec. 2	Nov. 15
Hallnor Mines	15c	Dec. 2	Nov. 15
Hard Rock G.	5c	Dec. 20	Nov. 30
Ham. Un. Theat., p.	$1.25	Dec. 31	Nov. 30
Hollinger Cons.	5c	Dec. 2	Nov. 18
Do., extra	5c	Dec. 2	Nov. 18
Island Mtn. M.	7c	Dec. 16	Dec. 2
Inter. Nickel, c.	50c	Dec. 31	Dec. 2
Imperial Oil	25c	Dec. 2	Nov. 15
Inter. Petroleum	50c	Dec. 2	Nov. 20
Do. pref.	50c	Dec. 2	Nov. 20
Kerr-Add. Gold	5c	Dec. 20	Nov. 30
Kerr Lake M.	†5c	Dec. 16	Dec. 2
Lake of Woods M.	50c	Dec. 2	Nov. 15
Do, pref.	$1.75	Dec. 2	Nov. 15
Lake Shore M.	■50c	Dec. 14	Nov. 30
Laura Secord	20c	Dec. 2	Nov. 15
Loew's London, pf.	25c	Nov. 30	Nov. 16
Loblaw Inc.	†20c	Nov. 30	Nov. 15
Loblaw Groc., A B	25c	Dec. 2	Nov. 9
Do., extra	12½c	Dec. 2	Nov. 9
Madsen R. Lake	3c	Dec. 15	Dec. 1
McIntyre Porc.	55½	Dec. 2	Nov. 1
Do., extra	$1.11	Jan. 2, '41	Nov. 1
Matachewan Cons.	■2c	Nov. 30	Nov. 11
MacLeod-Cockshutt	10c	Dec. 20	Nov. 30
Model Oils	2c	Dec. 21	Dec. 2
Modern Contain.	20c	Jan. 1	Dec. 20
Do., extra	10c	Jan. 1	Dec. 20
Do., pref.	$1.37½	Jan. 1	Dec. 20
MacKinnon Stl., pf.	$1.25	Dec. 16	Dec. 2
Montreal Loan	31¼c	Dec. 16	Nov. 30
McKen. R. Lake	‡3c	Dec. 18	Nov. 30
Naybob Gold	▴1c	Jan. 15	Jan. 1
Do.	1c	Apr. 15	Apr. 1
Nat. Grocers, pf.	37½c	Jan. 1	Dec. 14
Nipissing Mines	15c	Dec. 11	Nov. 15
Nat. Biscuit	†40c	Jan. 15 '41	Dec. 13
Do., pref.	†$1.75	Nov. 30	Nov. 15
Noranda Mines	$1	Dec. 16	Nov. 25
Northwest. Util., p.	$1.50	Dec. 1	Nov. 25
N. S. Light & P., p.	$1.50	Dec. 2	Nov. 18
Ogilvie Flour, pf.	$1.75	Dec. 2	Nov. 18
Ottawa Elec.	30c	Dec. 30	Dec. 16
Ottawa L. H. Pr.	25c	Jan. 1	Nov. 23
Do., pref.	$1.25	Jan. 1	Nov. 23
Pamour Porc	6c	Dec. 2	Nov. 15
Pressed Metals	†25c	Dec. 2	Nov. 15
Preston E. Dome	5c	Jan. 15	Dec. 30
Do., extra	5c	Jan. 15	Dec. 30
Provincial Bank	$1.50	Dec. 1	Nov. 15
Placer Develop.	60c	Dec. 16	Nov. 21
Pato Cons. G.	10c	Dec. 18	Nov. 21
Paton Mfg.	50c	Dec. 15	Nov. 30
Do., pref.	$1.75	Dec. 15	Nov. 30
Pioneer Gold	10c	Jan. 2	Nov. 30
Quebec Power	25c	Nov. 25	Oct. 28
Real Est. Loan	$1	Jan. 2	Dec. 17
Reliance Grain, p.	$1.62½	Dec. 14	Nov. 30
Royal Bank	$2	Dec. 2	Oct. 31
Rolland Paper, pf.	$1.50	Dec. 2	Nov. 15
Royalite Oil	50c	Dec. 2	Nov. 15
R. S. Mills, A	50c	Jan. 2	Nov. 19
Shawinigan W.	22c	Nov. 25	Oct. 23
Siscoe Gold	2½c	Dec. 16	Nov. 16
Sherritt G. M.	■5c	Dec. 12	Nov. 12
Sher.-Williams, pf.	$3.50	Jan. 2	Dec. 15
Sylvanite Gold	†5c	Dec. 28	Nov. 6
Do., extra	†5c	Dec. 28	Nov. 6
Share Rylts.	1c	Nov. 28	Nov. 19
Stuart, D. A. Oil, p.	20c	Dec. 2	Nov. 20
Teck-Hughes	■10c	Jan. 1	Dec. 6
Toronto Elevators, c.	$1	Dec. 7	Nov. 25
Toronto Elevators, p.	66c	Dec. 7	Nov. 25
Union Gas	20c	Dec. 14	Nov. 20
United Fuel, A pfd.	75c	Jan. 2, '41	Dec. 20
Upper Can. Mines	3c	Nov. 30	Nov. 15
United Amuse., A B	40c	Nov. 30	Nov. 15
Ventures	■10c	Dec. 21	Nov. 29
Weston, Geo., c.	20c	Jan. 2	Dec. 12
Walker-Good.	$1	Dec. 16	Nov. 29
Do., pref.	25c	Dec. 16	Nov. 29
Wilsil	25c	Jan. 2	Dec. 14
Wendigo Gold	■▴3c	Dec. 2	Nov. 25
Walkerville Brew.	5c	Nov. 25	Nov. 15
Wr.-Hargreaves	11.1c	Jan. 2	Nov. 20
Do., extra	5.55c	Jan. 2	Nov. 20
Do., interim	11.1c	Jan. 20	Dec. 2

†Payable in U. S. funds.
■Subject to approval by Foreign Exchange Control Board.
*One share for each 30 common shares held.
▴Initial.
‡Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

Mining Dividends

	Rate	Close Nov. 18	Yield %
Anglo-Huronian	10c	2.50	..
Beattie Gold	16c+2c	1.15	*15.6
Bralorne	80c+40c	10.50	*11.4
Broulan Porc	6c	.82	..
Buffalo Ankerite	‡31c	4.80	..
Bulolo Gold	$3	15.50	19.3
Can. Malartic	8c	.60	..
Cariboo Gold	16c+8c	2.25	*10.6
Central Patricia	16c+7c	2.00	*11.5
Chesterville	†5c	1.40	..
Cochenour Willans	†3c	.75	..
Coniagas	‡25c	1.50	..
Coniaurum	16c+2c	1.43	*12.6
Cons. Smelters	$1+$1	42.50	*4.7
Delnite	‡6c	.90	..
Dome Mines	$2	25.50	7.8
East Malartic	30c	3.20	9.3
Francoeur Gold	†3c	.47	..
God's Lake	2½c	.41½	..
Goldale	2c	.18	..
Gold Belt	†2c	.25	..
Gunnar Gold	‡6c	.39	..
Hallnor	60c	5.25	11.4
Hard Rock	‡10c	1.11	..
Hedley Mascot	‡8c	.56	..
Hollinger	65c+45c	13.50	*8.1
Howey Gold	‡2c	.31	..
Hudson Bay	$1.75	27.00	6.5
Inter. Nickel, com.	$2	38.25	5.2
Island Mountain	15c	.90	..
Kerr Addison	‡15c	3.65	..
Kerr Lake	‡10c	.20	..
Kirkland Lake	10c+2c	1.04	*11.5
Kootenay Belle	‡12c	.27	..
Lamaque Gold	40c+10c	5.25	*9.5
Lake Shore	$2	20.25	9.9
Leitch	8c	.49	16.3
Little Long Lac	30c	2.25	13.3
Macassa	32c	3.85	8.3
Madsen R. Lake	6c	.63	..
McGillivray Coal	3c	.25	..
McKenzie Red L.	♦12c	1.36	8.8
McWatters	10c	.26	..
Moneta	12c	.55¼	21.7
McIntyre Porc.	$2.05½+1■	51.75	*5.8
MacLeod-Cockshutt	‡20c	2.54	..
Naybob Gold	4c	.29	..
Nipissing	15c	1.10	..
Noranda	$4	59.75	6.7
North Empire	‡40c	6.50	..
O'Brien Gold	‡10c	.82	..
Pamour Porc.	12c	1.54	7.8
Pato Cons.	20c	2.10	..
Paymaster	2c	.26½	..
Perron Gold	16c+4c	1.91	*10.4
Pioneer, B.C.	40c	2.32	17.4
Pickle Crow	40c	3.10	12.9
Placer Develop.	$1.20	10.00	12
Premier	12c	.95	12.6
Preston E. Dome	20c+5c	3.35	..
Privateer Mine	‡16c+2c	.57	..
Powell Rouyn	20c	1.08	..
Quebec Gold	‡2c	.28	..
Relief Arlington	‡5c	.03½	..
San Antonio	14c+6c	2.59	*7.7
Sheep Creek	16c+3c	.80	*23.7
Sherritt Gordon	10c	.89	..
Sigma Mines	‡45c	7.25	..
Sibak Premier	16c	.60	26.6
Siscoe	‡11½c	.52	..
Sturgeon River	†2c	.19	..
Sudbury Basin	2½c	1.41	..
Sullivan Cons.	‡9c	.63	..
Surf Inlet	†1½c	.10	..
Sylvanite Gold	20c+10c	2.82	*10.6
Teck-Hughes	40c+5c	3.45	*13
Toburn	8c+8c	1.55	*10.3
Upper Canada	‡6c	1.54	..
Ventures	15c	3.20	..
Waite Amulet	†10c	3.90	..
Wendigo	†3c	.28	..
Wright-Harg.	40c+30c	7.20	*9.7

*Yield including bonus. †Initial.
‡Paid or payable in 1940 to date.
■An extra dividend of $1.11 declared payable Jan. 2, 1941.
♦Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

DIVIDEND NOTICES

Anglo-Huronian Limited

DIVIDEND NO. 7

NOTICE IS HEREBY GIVEN that a dividend of Ten cents (10c) per share, in Canadian Funds, on the issued capital stock of the Company, has been declared payable December 30th, 1940, to shareholders of record at the close of business December 16th, 1940.

J. INGRAM,
Secretary-Treasurer.

Toronto,
November 18th, 1940.

Windsor Court Apartments Limited

To the Holders of the Six Per Cent First Mortgage Fifteen Year Sinking Fund Gold Bonds of Windsor Court Apartments, Limited.

Notice is hereby given that Coupon No. 18 of the above mentioned Bonds, payable June 1st, 1936, will be paid at its face value on and after December 1st, 1940, upon presentation at any office of the Bank of Nova Scotia in Canada.

By Order of the Board,
W. C. JAMES, Secretary.

MacKinnon Steel Corporation Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of One and One-quarter per cent (1¼%) has been declared on the 7% Cumulative Sinking Fund Redeemable Preferred stock of MacKinnon Steel Corporation Limited, payable December 16th, 1940, to Shareholders of record on December 2nd, 1940.

This is a payment on account of arrears of preferred dividend.

By Order of the Board of Directors.
J. G. SCORER,
Secretary.

Montreal, November 15th, 1940.

Lake Shore Mines Limited

(No Personal Liability)

DIVIDEND No. 83

NOTICE is hereby given that a dividend of Fifty Cents per share, on the issued capital stock of the Company, will be paid on the fourteenth day of December, 1940, to shareholders of record at the close of business on the thirtieth day of November, 1940. The payment of this dividend is subject to the approval of the Foreign Exchange Control Board.

By order of the Board.
KIRKLAND SECURITIES, LIMITED.
Secretary.

Dated at Kirkland Lake, Ontario, November 15th, 1940.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 49) of 1¾% upon the outstanding Preferred shares of the Company has been declared, payable, subject to the approval of the Foreign Exchange Control Board, on the Second day of January, 1941, to Shareholders of record at the close of business on the Fourteenth day of December, 1940.

NOTICE IS ALSO GIVEN that a Year End Dividend (No. 46) of sixty cents per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared, payable, subject to the approval of the Foreign Exchange Control Board, on the Twenty-first day of December, 1940, to Shareholders of record at the close of business on the 14th day of December, 1940.

By Order of the Board.
I. N. WILSON,
Treasurer.

Calgary, Alberta.
November 12th, 1940.

DIVIDEND NOTICES

DIVIDEND NOTICE
BRITISH AMERICAN OIL COMPANY B-A LIMITED

NOTICE is hereby given that a dividend of Twenty-five Cents (25c) per share has been declared on the issue No Par Value capital stock of the Company for the fourth quarter ending December 31, 1940. The above dividend is payable in Canadian funds, January 2nd, 1941, to shareholders of record at the close of business on the 12th day of December, 1940.

Bearers of Share Warrants are reminded that until said Warrants with talons attached are surrendered to Chartered Trust and Executor Company, 34 King Street West, Toronto, or 132 St. James Street West, Montreal (the Transfer Agent and Registrar of the Company), any dividends declared by the Company with respect to any share or shares specified in any Share Warrant shall be paid by the Company, without interest, only upon the surrender of such Warrant with talon attached in exchange for registered certificate.

H. H. BRONSDON,
Secretary.

Dated at Toronto, November 15th, 1940.

Wanted: B. C. Pulp 7s
Dom. Can. Gen. Ins.
Traders Finance A pref.
Premier Trust
Toronto Carpet
Kingston Ship. Bldg.

A. J. Pattison, Jr. & Co.
Established 1907
Royal Bank Bldg. EL. 5101 Toronto
THIRD FLOOR

Grain Companies Believe Pools Should Pay Taxes

Western grain men, concerned over the tax burdens they must meet while still competing with tax-exempt pools, are wondering what relief they may expect these days. The private-owned elevator companies, it is felt, are performing an important service to Canada at this time, when there is such a large overflow of wheat crop that must be stored. It is pointed out that normal income and "excess" profits taxes must be paid but their chief competitors, the western wheat pools, are not asked to meet this expense.

These elevator companies suggest that, in the light of the Dominion's obvious need for all possible tax revenues, the co-operative ventures which have proved immensely profitable over the past year should pay their share.

Earnings Are Large

The Manitoba Pool Elevators has just published a statement showing that it has a surplus of $755,000 in the year just closed, after paying all expenses. This follows a substantial profit in the preceding year as well.

The Saskatchewan Wheat Pool has announced net earnings of $1.6 million last year after meeting all charges and providing for full depreciation. This large sum is being divided as follows: $889,230 as a reserve to bring working capital to $6 millions; $500,000 to excess charges refund, season of 1939-40, to be distributed to patrons as a patronage dividend at the rate of one half cent a bushel on deliveries; $233,437 to be transferred to undivided profits account.

The officials of private grain companies feel that these co-operatives should be placed on the same basis as any other concern when it comes to contributing to Canada's war effort. The large earnings mentioned above are not subject to income tax but the private companies not only have to pay regular corporation income taxes but also this year have the "excess" profits tax to meet.

Company Reports

Ste. Claire Apts.

Heavy expenditures on renovating undertaken early in 1940 for Ste. Claire Apts., Windsor, Ont., resulted in expenditures exceeding receipts for the first half of the year. The second half year, however, should produce a substantial credit balance, according to W. T. Murchie of the London & Western Trusts Co., trustee for the bondholders.

Revenues in 1939 were somewhat higher than in 1938, and at the same time expenses were cut by about $1,000 to $4,331. Tax arrears have been cleared up and 1940 taxes have been prepaid to take advantage of the saving offered.

Revenue and Expenditure

	6 Mos. ended June 30 1940 $	12 Mos. ended Dec. 31 1939 $
Gross revenue	3,096	6,319
Less: Expenses	3,290	4,331
Net income	*194	1,988

*Deficit.

Killarney Apts.

Improvement in receipts and reduction in expenses is reported in 1939 and 1940, compared with 1938, for Windsor's Killarney Apts. (in receivership) by W. T. Murchie of the London & Western Trusts Co., trustee for the bondholders.

The improvement is due, according to Mr. Murchie, to increased occupancies.

Cash balance at June 30, last, was $1,495 and Mr. Murchie is of the opinion another interest payment can be made early in 1941. Last payment on the 7% first mortgage bonds was 5/6 of the face value on coupon No. 9, due Jan. 12, 1931, made July 12, 1939.

Revenue and Expenditure

	6 Mos. ended June 30 1940 $	12 Mos. ended Dec. 31 1939 $
Gross revenue	1,669	3,314
Less: Expenses	1,441	2,508
Net income	228	806
Less: Bond int.	....	837
Deficit	....	31

Inverness Apts.

W. T. Murchie of the London & Western Trusts Co., trustee for the bondholders of Windsor's Inverness Apartments (in receivership), expects a further interest payment will be made early in 1941 on the 7% first mortgage bonds. Last payment was 5/6 of the face value on coupon No. 9, due Jan. 12, 1931, in July, 1939.

The trustee had a cash balance of $1,237 on account of Inverness Apartments bondholders at June 30, last. Receipts for 1939 and 1940 have been higher than in 1938 due to increased occupancies.

Revenue and Expenditure

	6 Mos. ended June 30 1940 $	12 Mos. ended Dec. 31 1939 $
Gross revenue	1,550	2,872
Less: Expenses	1,365	2,475
Net income	185	397
Less: Bond int.	....	837
Deficit	....	440

Louisiana Land

From Our Own Correspondent

MONTREAL.—Louisiana Land & Exploration Co. report for the third quarter of 1940 shows net income of $126,021, or 0.04 cents a share. This compares with a loss of $13,162, or 0.004 cents for the same quarter a year ago.

Net oil and gas income was higher when compared with the same quarter a year ago.

Income account for the third quarter follows:

3 Months Ended Sept. 30	1940	1939
Net oil & gas inc.	$439,255	$412,548
Less: Oper. exps.	114,928	152,448
	324,327	260,100
Exps., lease rentals, taxes, etc.	161,518	243,957
	162,809	16,143
Other income	135	15,674
Net revenue	162,944	31,817
Deprec. & depl.	36,923	44,979
Net income	126,021	*13,162
Earnings per share	0.04	*0.004

*Deficit.

DIVIDEND NOTICES

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the tenth day of December next.

The chair will be taken at 11 o'clock a.m.

By order of the Board,
A. E. ARSCOTT,
General Manager.

Toronto, 18th October, 1940.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the eleventh day of December, 1940, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.
ROBERT RAE,
General Manager.

Toronto, 24th October, 1940.

Broulan Porcupine Mines Limited

(No Personal Liability)

INTERIM DIVIDEND NO. 2

NOTICE IS HEREBY GIVEN that an Interim Dividend of three cents per share, in Canadian funds, has been declared on the issued capital stock of the Company and will be paid (less deductible taxes) on December 21st, 1940, to shareholders of record December 6th, 1940.

By Order of the Board.
D. R. MICHENER,
Secretary.

Toronto, Ontario, November 19th, 1940.

DIVIDEND NOTICE

The Cariboo Gold Quartz Mining Company Limited

(Non-Personal Liability)

DIVIDEND NO. 21

NOTICE IS HEREBY GIVEN that a quarterly dividend of four cents (4c) per share, together with an extra dividend of two cents (2c) per share, on the paid up capital stock of the Company, will be paid January 2, 1941, to shareholders of record December 3, 1940.

The Books of the Company will be closed for the transfer of shares from December 4, 1940, to December 7, 1940, inclusive.

By Order of the Board.
J. R. V. DUNLOP,
Secretary-Treasurer.

Vancouver, B.C.
November 18, 1940.

Ottawa Light Heat and Power Company, Limited

Quarterly dividends as follow are payable 1st January, 1941, to Shareholders of record 23rd November, 1940.

PREFERRED STOCK: 1¼% (being at the rate of 5% per annum.)

COMMON STOCK: Twenty-five cents (25 cts) per share on the No Par Value Shares.

The transfer books will not be closed.

By Order of the Board.
F. W. FEE,
Secretary.

Ottawa, 18th November, 1940.

McKenzie Red Lake Gold Mines Limited

(No Personal Liability)

DIVIDEND NO. 16 AND BONUS

Notice is hereby given that the following dividend and bonus has been declared payable December 18th, 1940, to shareholders of record at the close of business Nov. 30th, 1940:

(a) Regular quarterly dividend of 3c per share.

(b) Bonus of 1 share of McMarmac Red Lake Gold Mines Limited for each 5 shares of McKenzie Red Lake Gold Mines Ltd. held.

By order of the Board.
H. M. ANDERSON,
Secretary-Treasurer.

Toronto, Ont., Nov. 15th, 1940.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 52

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the company on December 21, 1940, to shareholders of record at the close of business November 30, 1940.

D. B. GREIG,
Secretary.

Windsor, Ont.
November 14, 1940.

Week in Wheat

Wheat Futures Market Shows Good Tone

Assumes Canada's Chief Customer, British Government, Has Not Been Buyer and Has Continued Direct Action

WINNIPEG.—Performance of the wheat futures market, and its recent ability to make and sustain advances well above the pegged level of prices, has been highly interesting, even although the total amount of business done has not been important.

It is to be assumed that Canada's principal customer, the British Government purchasing agent, has not been a buyer. The expectation is that purchases from that source will continue to be negotiated direct with the Canadian Wheat Board, and presumably, as has been the case in the past, at prices above those which now prevail in the market.

Similarly, there is a great belief that the Canadian Wheat Board has not been a seller, although that is still assumption. When prices on the Winnipeg market were pegged at the request of the Canadian authorities, it was reasonable to suppose that the Wheat Board would not sell wheat at less than the pegged levels, although no obligation was expressed or implied that the Wheat Board would refrain from selling at pegged levels or higher. Speculative transactions are practically non-existent at present, nor in view of present conditions is there much occasion for the spreading transactions between Winnipeg and Chicago which in normal times provide a large volume of business.

Canadian Mills Chief Buyers

The principal buying comes from Canadian mills, for their requirements for domestic milling, and for the limited export business in flour still transacted with a number of markets outside of the British Isles. There is, too, a small volume of demand from United States Mills working on export flour.

Against that fairly limited demand there has also been a limited offering, on the part of western farmers. These, when they deliver their wheat at country elevators, have the choice between accepting the Wheat Board initial price, based on 70 cents per bushel at Fort William, and now with the addition of ½ cent per bushel to cover farm storage charges, or selling it on the open market. Unless the open market price is substantially above the Wheat Board basis, there is no incentive to sell.

Some of them have preferred to take an additional two cents per bushel from the open market, which has occasionally been available in No. 1 northern wheat, while the majority are likely to accept the Wheat Board initial price and take a chance on participation certificates being ultimately of greater value.

* * *

Lower Grade—Bigger Margin

On lower grades the margin in favor of the open market has been larger, and has attracted more selling. Wheat board spreads on lower grades have been wider than market spreads have actually been. The latter have been decidedly narrower than usual, due to the comparatively small quantities of low grade wheat this year. It follows, of course, that farmers have not a great deal of such grain to offer, while it is also the fact that at the majority of country points elevators have no room to take in grain.

Where grain can be delivered, and where farmers wish to sell it, elevator companies are buying, and are selling contracts against it in the futures market. Even the limited business now transacted may later have to be suspended, owing to uncertainty as to when grain purchased can be shipped out for delivery on futures contracts.

The coarse grains market has been a little hesitant on receipt of news of the bacon and cheese marketing agreements concluded by the Minister of Agriculture, Hon. J. G. Gardiner, in London. Although the basic bacon price is to be lower, it would appear that oats and barley are still cheap in relation to prospective hog prices, and assurance of a market for a much larger quantity of bacon than has yet been produced warrants expectation of a continued strong demand for feed grains. The cheese agreement, presaging a heavier feeding of cows, and probably an opportunity for western farmers to market more cream for butter manufacture, is also considered to be bullish so far as feed grain prices are concerned.

* * *

Fear Increased Acreage

A suggestion on behalf of United Grain Growers Ltd. has been made by the president of that company, R. S. Law, with respect to delivery quotas for next year's wheat crop. It is that they should not be based on acreage seeded to wheat in 1941, which would provide an undesirable incentive for unnecessary maintenance or expansion of acreage seeded to wheat.

Instead it is proposed that it should be based on the acreage in wheat in 1940, with respect to which the authorities have a record in connection with the delivery permit system in effect this year. Mr. Law's suggestion was made in connection with a general statement advocating that the Dominion Government should establish a committee, under its jurisdiction to consider western agricultural problems. Part of the personnel of the suggested committee would be drawn from departmental officials of the Government, while others would be westerners familiar with various aspects of the wheat problem. In the same connection it was suggested that there should be consultation between the Government and elevator interests, with respect to the extent to which new storage for grain should be established.

* * *

Ship Storage Problem

A large degree of uncertainty still prevails as to the extent to which lake vessels may be drawn into service for winter storage of wheat. Contracts have so far been made rather gingerly by Canadian vessel owners, and owners of American vessels are still very stand-offish so far as this business is concerned. Last week's disastrous gale on the Great Lakes had the effect of slowing up lake transport of grain, and of creating doubts as to how many vessels would be able to work in extra trips. The president of the Winnipeg Grain Exchange, George Mathieson, has urged upon the Transport Department at Ottawa that every effort should be made to keep lake navigation open as late as possible, to permit the maximum movement of grain to eastern ports, and assurance has been given that this will be done.

The Canadian Wheat Board has continued to increase delivery quotas at a considerable number of shipping points where space is still available. As many elevator annexes are still in process of construction and as room for additional grain will continue to be created by shipments out of lakehead terminals up to the close of navigation, there is still some degree of elasticity with respect to accommodation for the crop.

* * *

Australian Crop Small

With the Australian harvest in progress in some areas, the wheat crop of that country now seems to be fixed at the extremely low level of 90 million bushels, although an occasional estimate goes as high as 100 million bushels. Argentina, on the contrary, seems to have a prospect of harvesting a fairly good crop, perhaps as much as 220 million bushels. That means a quantity available for export to Great Britain and Europe, if ships and markets were available, of something more than 70 million bushels. Argentine prices have been falling, apparently in the expectation that they must seek a level at which it would be attractive to Great Britain to purchase increased quantities. The extent to which additional shipping would be made available for such reasons appears to be problematical, and it may yet appear to be in Argentine interest to maintain a higher price for domestic wheat and for wheat exported to Brazil.

Wheat Prices

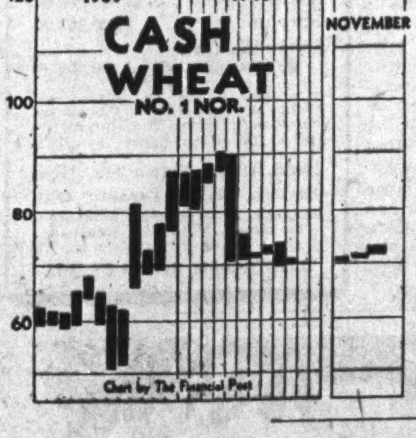


Chart by The Financial Post

Cash Quotations

	For Week Nov. 18 High	For Week Nov. 18 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.72⅞	.71⅝	.71⅝	.70⅞
1 Nor.	.72⅞	.71⅝	.71⅝	.70⅞
2 Nor.	.71⅛	.69¾	.70	.69½
3 Nor.	.69⅝	.68	.68¼	.67⅝
4 Nor.	.66⅞	.63⅝	.65¼	.64⅝
5 Wheat	.63⅞	.62½	.62¾	.62⅛
6 Wheat	.60⅝	.59	.59¼	.58⅝
Feed	.56⅝	.55	.55¼	.54⅝
Oats:				
2 C. W.	.36¾	.35½	.35⅝	.32¾
3 C. W.	.34	.32⅛	.32⅝	.30½
Barley:				
1 Feed	.49¾	.46	.46⅞	.42¾
2 Feed	.49¼	.45⅝	.46¼	.42¼
Flax:				
1 C. W.	1.32⅛	1.30½	1.32⅝	1.26⅝
2 C. W.	1.28½	1.26⅛	1.28⅛	1.22⅛
Rye:				
2 C. W.	.48⅛	.46½	.46⅝	.44⅛

Winnipeg Grain Futures

Week to Nov. 18, 1940

Crop year from Aug. 1, 1940 High	Low		Open Nov. 12	High for week	Low for week	Close Nov. 18	Close year ago
		Wheat					
.74⅝	.71⅝	Dec.	.72⅛	.73⅛	.72	.72	.70⅝
.77⅞	.75⅛	May	.76¼	.77⅞	.76¼	.76¼	.75
.79¼	.77½	July	.77⅞	.79¼	.77¾	.77⅞	.76⅜
		Oats					
.34⅞	.25⅝	Dec.	.33⅛	.34⅛	.32¾	.34	.31⅝
.33⅜	.26⅝	May	.32⅝	.33⅝	.32⅛	.33	.33¼
.32⅝	.29⅝	July	.31⅝	.32⅝	.31⅝	.31⅞	.33⅜
		Barley					
.48⅛	.30½	Dec.	.45⅝	.48½	.45⅛	.46⅛	.41⅝
.46⅝	.33⅝	May	.44	.46⅞	.43⅝	.44⅝	.44
.44⅝	.39⅝	July	.42¼	.44⅛	.41⅞	.42⅝	.44
		Flax					
1.34⅛	1.15⅛	Dec.	1.33⅛	1.33½	1.31	1.31¼	1.55¼
1.39⅝	1.16	May	1.37	1.37	1.34⅝	1.35	1.60¼
		Rye					
.49⅛	.40⅝	Dec.	.47⅛	.49⅝	.46⅛	.47⅜	.55⅝
.52	.44⅛	May	.50⅛	.52	.49⅛	.50⅛	.59⅝

Southern Canada Net Shows Drop

October Gross Earnings Higher But Expenses Increase

From Our Own Correspondent

MONTREAL.—Gross earnings of Southern Canada Power Co. increased $32,349 in October to $214,908. Surplus after interest, depreciation, dividends, etc., amounted to $2,713 as against $8,496 a year ago.

Following is an earnings statement for the month:

Earnings Statement

October:	1940 $	1939 $
Gross earnings	246,908	214,559
Oper. expenses	131,147	94,944
Net earnings	115,761	119,615
Less: Int., depr. & divds., etc.	113,048	111,119
Surplus	2,713	8,496

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Commodities

Greek successes against the Italians strengthened the feeling that the war was likely to be long. And advances were fairly numerous in the commodity markets. Weekly indices, both spot and future, were uniformly higher although the advances were small.

In the actual quotations some irregularity was seen.

Hog prices on the Canadian markets, for instance, eased slightly owing to the lower quotations issued on bacon for export by the Bacon Board. Cattle prices were higher under a continued domestic demand for quality animals. Exports to the United States have also been well maintained.

In the industrial groups price changes were mostly upward. Cotton owners in the southern States were holding their stocks firmly while textiles were stated to be in good demand. Silk eased slightly but rubber was higher.

	Latest week	Previous week	Same week last yr.
Cattle	$8.60	$8.50	$7.75
Hogs	11.40	11.50	11.75
Copper, lb.	.12	.12	.13¼
Cotton, lb.	.1020	.1012	.1011
Rubber, lb.	.2125	.2110	.2008
Sugar, raw, lb.	.0290	.0290	.0305
Silk, lb.	2.58½	2.61½	3.41
Wheat, Man. (bu.)	.71⅝	.71⅜	.70¼
Coffee, lb.	.05⅛	.05⅛	.05½
Hides	.14½	.14½	.14
Weekly Indices			
Canada (D.B.S.)	83.7	83.6	79.1
Do., Wood, Gundy	67.9	67.1	67.2
U. S. Labor	78.8	78.5	70.3
Dow Jones (future)	57.44	57.16	55.38
Fishers'	84.5	83.7	83.8
Monthly Indices			
Canada (D.B.S.):			
Retail (Oct.)*	107.0	106.4	103.3
W'sale (Sept.)	83.1	82.7	78.4
U. S. (Sept.)	78.0	77.4	79.1
Gt. Brit. (June)	134.6	133.7	98.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base. *Base 1935-39=100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

THE FINANCIAL POST
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1941

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Life Insurance

War Claims Below Estimates

Policy Payments in British Isles Owing to War Mortality Relatively Light — Result 25% Better Than Anticipated, Post Told

War casualties among civilians and soldiers have so far affected Canadian life insurance companies very little, investigations by The Financial Post reveal.

Especially is this true as regards the British Isles where it had been expected the German blitzkrieg would cause heavy losses to companies doing business there.

The trend of mortaility in that area due to the war is indicated by comments ffrom head office officials, such as the following:

"25% more favorable than anticipated";

"War death claims not felt at all yet, the total is so small. We have not had one due to bombing."

"Total war claims very small. Total for our company, including the Canadian navy not over $60,000. This includes one policy for $10,000.'"

"War death claims to date have been nothing at all."

Experience in 1914-15

So far total war claims of all Canadian companies from casualties in the British Isles or other war zones where their policyholders may be, are substantially below those of the first year of the last war. Ten months figures for 1914-15 are not available. But in five months of 1914 total war claims incurred on Canadian policyholders were $19,415 with $55,827 on British and foreign policyholders of Canadian companies.

In 1915 claims paid on Canadian policyholders by Canadian companies were $2 millions and on British and foreign policyholders $175,269. These figures include soldiers killed or dying from wounds and other causes such as influenza, etc., also civilians dying as a result of war operations.

Casualties at Sea

Most of the death claims which have been received so far by companies interviewed have been on men who lost their lives in the Canadian Navy. For instance, a number of Canadian policyholders were killed or drowned on the Fraser, the Maragaree and the Andorra Star.

The generally low war mortality rate in the British Isles, while keeping life insurance claims below the expected level, has also prevented any reduction in annuity payments. A year ago it was estimated by some executives that increased deaths among policyholders requiring the companies to pay out money to the beneficiaries would be offset to some extent by a larger number of deaths among annuitants, thereby cutting the payments necessary in this department. It was felt that many of the annuitants being well advanced in years would not be able to stand the strain of frequent bombings. But the annuity holders seem to be a hardy lot or else have been very successful in keeping out of harm's way. Accordingly they are still drawing their annuity cheques in normal numbers.

Thus the low mortality rate, while favorable as far as life insurance is concerned, is unfavorable as regards annuities.

Most of the Canadian companies have a large annuity business overseas. In fact one or two of the larger companies are understood to have more annuitants in the British Isles than they have policyholders.

New Business Lower

New business is lower than it was but the decline varies.

One company estimates that its total business in the British Isles including all classes to the end of October was about 96% of the first 10 months of the previous year.

Another estimates a decline of about 15% for the 10 months in straight life insurance and another a decline of 25%.

Some of the companies say they are not writing any war risk insurance at all. They sell policies on the basis that if the policy becomes a claim the company will be liable only for the amount of premiums paid in, plus interest at 3% and accumulated dividends.

Others, however, are selling insurance giving full coverage in the British Isles for an extra premium of $10. There has been little demand for it, however.

Sales Staffs Reduced

One factor tending to curtail sales in the British Isles generally is the reduction in company staffs, especially agency personnel due to the men going on war service. either in the armed forces or as air raid wardens, etc. In some cases it is said there are now hardly any men left on the job at all.

There are about seven Canadian companies writing insurance in the British Isles. Details are not available of the amount written there by each company, but total business in force payable in pounds sterling amounts to $712 millions with reserves of $232 millions, according to the latest figures available.

These companies generally operate in that area practically as separate corporations, their reserves for British liabilities being entirely separate from those for liabilities in Canada and elsewhere.

Insurance men point out that while losses to date have been relatively light there is no guarantee they will remain so.

Life Insurance Notes

New life insurance written in the United States in October at $648 millions was 1.8% higher than a year ago, according to a bulletin issued by the Association of Life Insurance Presidents.

Ordinary insurance at $447 millions was up 5% and industrial at $146 millions 7.9% higher. Group insurance at $55 millions was 27.2% lower.

Total new business for all classes of insurance for the 10 months to Oct. 31 was 1/10 of 1% lower.

* * *

Ernest Moulds, manager of the Ottawa branch of the Excelsior Life Insurance Co., who recently addressed the Rotary Club of Smith's Falls, Ont., on "12 o'clock for Britons," was asked to repeat the address at the Canadian Legion banquet in the same town.

Obituaries

W. H. Clemes, former director A. R. Wiliams Machinery Co., aged 78, at Toronto.

Robert K. Palmer, former chief engineer and vice-president in charge of operations, Hamilton Bridge Co., aged 68, at Hamilton.

Henry G. Salisbury, former assistant city architect of Toronto and at one time building superintendent of the old Toronto Street Railway, aged 65, at Toronto.

Canada Life Actuary Honored at New York

J. D. Williamson, actuary of the Canada Life Assurance Co., was elected president of the Home Office Life Underwriters Association at New York last week, the first Canadian to hold that position.

Mr. Wiliamson has also been notified of his election as a Fellow of the American Institue of Actuaries. He already held the degree of Fellow of the Actuarial Society.

Can. Foreign Investment Retires More Preferred

From Our Own Correspondent

MONTREAL.—Canadian Foreign Investment Corp. advises the Montreal Stock Exchange that a further 200 shares of the 8% cumulative preferred stock have been redeemed and cancelled, leaving 8,524 shares outstanding at Nov. 14.

Life Insurance Problems

At Retiring Age

I am a doctor in a moderate sized town with a wife and three children. The children are through school and beginning to earn. I have the following assets:

Life Insurance	$25,000
Securities	50,000
Real Estate	10,000
Total	$85,000

My income from my profession is $5,000 gross yearly and my investments bring me $2,500 a year.

I expect to retire soon. Do you think I should take the cash value of my life insurance, which is about $15,000, or should I continue it in force?

Without knowing your circumstances in detail it is difficult to give a definite answer.

Remembering that when you retire your professional earnings will cease, points to be considered are:

The minimum yearly income you will want.

The minimum estate you want to leave your dependents, when you die.

You do not say whether your insurance is paid up or not. This would make a difference. If you are still paying premiums you will have to figure these among your expenses when you retire, while if it is fully paid up, premium payments do not enter into the calculations.

If you retire and take the cash value of your insurance you would then have total assets of $75,000 made up of $50,000 investments, $10,000 real estate, and $15,000 cash proceeds from your insurance.

From your investments at present you have an income of $2,500. The proceeds of your insurance invested say at 3% would give you additional income of $450 making a total of $2,950. You would have a total estate of $75,000 to leave your dependents.

You could probably, of course, make some arrangement with the insurance companies to pay you an annuity instead of the cash value of your policies. In this way you would likely have a larger income from this source than the $450, especially if you took part of the principal each year. This would reduce the amount you would have to leave your dependents. It is worth taking up with your insurance adviser, however.

If you continue to carry your insurance, your investment income would be $2,500. If you had to pay premiums out of this the amount left for your own use would be considerably smaller. You would have to consider this. But if the insurance is paid up you would have the full $2,500 for your own use. You would also have the full $85,000 to leave your dependents.

New Labor Body Closes Ranks

Threat of Defections Abated by Canadian Congress of Labor

Threat of defections from the newly formed Canadian Congress of Labor currently appears to have been abated, and some individuals and groups reported ready to bolt seem to have fallen back into line.

The Congress is a fusion of the All-Canadian Congress of Labor with Canadian branches of C.I.O. unions —the latter forming the larger and dominating group. After the merger, there were various reports that groups and individuals formerly allied with All-Canadian Congress disliked affiliation with the international C.I.O. unions and planned to withdraw.

According to the October issue of the Canadian Unionist, official organ of the new Congress, the London (Ont.) Milk Drivers Union considered withdrawal but took no action after a conference with officials of the Congress. The Unionist adds: "No other Congress unit, affiliated or chartered, has indicated the slightest intention of making any change in its relationship with the organization."

Dissenter Quieted

N. T. Harrison, president of the London National Labor Council, was recently reported threatening to resign in protest against the Canadian Congress of Labor merger. He has apparently been mollified, however, as nothing more has been reported as to his resignation and the Canadian Unionist carries a photo of him fraternizing with N. S. Dowd, secretary-treasurer of the Congress.

The Unionist also brands as misleading reports that George Beattie, president of the Canadian Association of Railwaymen, proposed to withdraw his organization from the Congress. The Unionist says that three local groups of the railwaymen's union were affiliated with the All-Canadian Congress of Labor and continue to be with the new Congress, but that the Canadian Association of Railwaymen broke away from the A.C.C.L. four years ago.

Fire Insurance

Agents Desire Written Tests

Examinations Proposed to Raise Standards For Fire and Casualty Forces

If a suggestion of the Ontario Fire and Casualty Insurance Agents Association is accepted, by the Ontario Department of Insurance, it will be necessary for everybody entering the fire and casualty agency business in the province to pass a series of written examinations before obtaining a license.

A committee of the association is understood now working on the plan in pursuance of a resolution adopted at the recent convention. When the plan is ready it will be submitted to Hartley D. McNairn, provincial superintendent of insurance for Ontario.

Would Avoid Complaints

Main reason given for the resolution was the claim that there are at present too many agents in the province who have an insufficient knowledge of the business of underwriting principles and policy conditions.

This, it was stated, often results in property being either under-insured or over-insured or in some way incorrectly insured. The consequence is numerous disputes and misunderstandings that could be avoided.

The plan suggested is to establish an educational course sponsored by a responsible committee composed of representatives of the Department of Insurance, companies and agents and financially supported by the Department.

The course would be available to everybody wishing to enter the business. Correspondence courses would be arranged for applicants living outside the larger centres.

Agents Exempt

According to the suggested plan it would be necessary for every applicant to pass an examination within one year of the issuance of his license. This provision, however, would not apply to agents who have had a license for, say, five years before the system comes into effect.

Many insurance men who have been studying the plan favor it or something like it to raise the standard of agents in this branch of the business. It is pointed out that there is at present no set standard for fire and casualty insurance agents like the C.L.U. degree among life insurance salesmen. The suggested examination would to some extent take the place of this, for full time fire and casualty agents at any rate.

War Orders

Among the $33.6 millions of contracts awarded by the Department of Munitions and Supply in the two weeks ended Nov. 1 are the following which went to companies in which there is public investment interest:

Foodstuffs:	
Burns & Co.	21,875
Canada Packers	78,110
Clothing:	
Paton Manufacturing	558,123
Canadian Converters	69,000
Canadian Cottons	112,050
Dominion Textile	89,640
Montreal Cottons	537,675
Dominion Woollens	582,898
Tip Top Tailors	432,000
Personal equipment:	
General Steel Wares	79,610
Dominion Rubber	43,000
Kitchen & Dining equipment:	
Dom. Oilcloth & Linoleum	7,650
General Steel Wares	6,638
Enamel & Heating Products	6,913
Beds and bedding:	
Dominion Textiles	57,393
Acme Glove Works	22,721
Regent Knitting	37,868
Penmans	45,708
Shipbuilding:	
Halifax Shipyards (Dosco)	38,064
Dockyard stores:	
Canadian Marconi	14,742
Instruments:	
Sutton-Horsley	228,125
Land transport:	
Ford of Canada	7,256,100
Aircraft:	
Canadian Vickers	23,976
National Steel Car	14,141
Fleet Aircraft	4,065,768
Electrical equipment:	
Canada Wire & Cable	12,675
Canadian Marconi	39,958
Canadian General Electric	75,890
Gasoline, oil & fuel:	
McColl-Frontenac	70,393
B. A. Oil	77,293
Imperial Oil	153,220
Hamilton By-Product Coke	5,350
Machinery:	
Canadian Car & Foundry	5,625
Canada Machinery	6,034
Canadian Ingersoll-Rand	5,961
Canadian Fairbanks-Morse	14,136
Lumber & bldg. supplies:	
Canada Cement	10,178
Canadian Inter. Paper	6,731
Canadian Fairbanks-Morse	18,355
Consolidated Paper	11,225
Construction & defense projects:	
Anglin-Norcross	278,024

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Plate Glass Insurance Covers Many Hazards

A few years ago a bull moose wandered into the business section of an eastern city.

Trying to escape from the unaccustomed sights and sounds it crashed through the plate glass windows of a corner building causing substantial loss.

Incidents like this are infrequent. But they do happen and are one of the reasons why Canadian businessmen in 1939 paid $514,000 in premiums for plate glass insurance.

More frequent causes of damage to plate glass windows are not so spectacular but many of them are peculiar. For instance it is not uncommon for a runaway automobile to run into a store window. This happened in Toronto just recently. Children, too, playing around an empty building, in certain lights especially, if the windows have been well washed sometimes try to run through what they think is an open space.

Another common cause is the expansion of painted signs on large windows. These are usually on the inside of the glass. The paint, when exposed to heat, expands much more quickly than the glass, causing it to break. This is especially true in cold weather when the interior of a building is warm, the outside air down around zero.

Then there are the ordinary hazards of stones being thrown, people falling against the windows outside, etc.

Total plate glass insurance losses in 1939 for Canada were approximately $238,000 almost half of the premiums paid.

Rising prices of glass under war conditions is a reason inducing many people to buy plate glass insurance recently. The standard policy gives protection against all breakages except damage by fire.

Apart from the indemnity for the loss sustained, one of the features of this class of policy is the service rendered by the insurance company. When a breakage occurs, the company takes over the whole matter of replacing it, this often being done in a few hours. Thus the owner of the building is relieved of all trouble.

Kilgour Named Group Manager

John J. Kilgour has been appointed manager for Canada of the joint head office of the American Insurance Co. of Newark, N.J., the Security Insurance Co. of New Haven and the Fire Association of Philadelphia, succeeding the late William Thompson. Kenneth M. Thompson has been appointed assistant manager.

Mr. Kilgour has had 20 years experience in the fire insurance business in Canada. After serving as an officer in the Royal Navy during the last war he joined the Niagara Fire Insurance Co. at its Canadian head office in Montreal. The Security of New Haven entered Canada in 1921 operating in association with the Niagara. In 1926 when the American and Security put their Canadian operations under combined control, he joined the staff of the joint head office at Toronto.

In 1931 the Fire Association of Philadelphia placed control of its Canadian operations under the same management.

Mr. Kilgour was appointed assistant manager of the three companies for Canada and Newfoundland in 1938.

Mr. Thompson, son of the late manager, has been marine manager of the group since 1937. He got his earlier training in the insurance business, especially in casualty underwriting, with the Ocean Accident and Guarantee Corp. and later with the Union of Canton.

Fire Insurance Notes

Sterling Offices, an insurance firm of London, Eng., has opened a Canadian branch in the Metropolitan Building, Toronto, under the name of Sterling Offices of Canada Ltd. Verner R. Willemson, foreign manager at the head office in London, has taken temporary charge at Toronto. The firm does a general reinsurance brokerage business, handling fire, casualty and marine insurance.

Sterling Offices operated formerly in Canada but discontinued operations some years ago.

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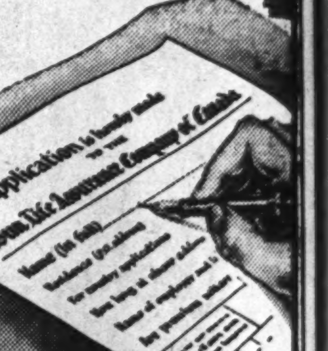
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Banking

Offsetting Prohibited By Exchange Board

Canadian Resident Not Allowed to Use United States Investment Income to Pay Taxes and Maintenance Charges on Other Property

Suppose you own a country estate in Virginia which, owing to the war, you are unable to visit this winter. Taxes, however, have to be paid, grass and weeds have to be cut. Ordinary repairs have to be made and it is advisable to maintain a caretaker, to look after the place. Total costs involved may amount to $5,000.

Suppose again you have large American investments which bring you in a U. S. income of say $50,000, which under existing regulations you must turn over to the Foreign Exchange Control Board.

You probably think that you will be able to apply part of your investment revenues to paying the costs of upkeep on your Virginia estate. But you think wrong. The Foreign Exchange Control Board says you can't. Offsetting of one transaction against another in the way suggested is not allowed. Nor can you take Canadian funds and buy United States exchange to pay the taxes and overhead.

Three Ways Suggested

Instead three other methods of procedure are suggested by the Board. These are:

1. Sell sufficient American securities to meet the expenses.
2. Borrow the necessary funds on the security of your American holdings, the loan to be repaid out of the sale of the securities involved.
3. Rent the property and apply the proceeds to the expenses in connection with the property.

The first course at the present time would probably result in considerable loss to any holder of securities. Accordingly the second course is suggested as an alternative, as it would enable the holder to obtain the necessary funds while holding his investments for a time when market conditions would be more favorable. In the meantime, the Board, it is understood, would allow you to use the income from your investments to pay the interest on this loan.

The third course comes under the policy of the Board which allows a Canadian resident to use funds derived directly from United States property to pay certain essential expenditures to protect that same particular asset.

Might Lose Control

The position of the Foreign Exchange Control Board, it is understood, is that it would either have to set up greatly increased facilities for checking all such offsetting transactions or else lose control over the disposition of the United States dollars receipts of Canadian residents. Accordingly the Board has adopted a policy of not allowing offsetting of one transaction, such as the receipt of dividends in the United States, against expenditures for taxes, repairs to a house, etc. Instead the owner of the property and securities is expected to realize on part of his holdings to pay his costs.

This, however, it is stated does not prohibit a person who has no United States securities or United States income from obtaining the necessary United States funds to meet essential expenses.

The position seems to be that if a man has other resources in the United States he can sell them and use the proceeds provided.

Under the existing regulations such a transaction would have to be made with the knowledge of the Board. Evidently the feeling is that this method can be checked more easily than the offsetting of certain incomes against certain expenditures.

Thus if a man owns property in the United States and a windstorm blows the chimney off, if he has other property or securities he must sell a part of them or borrow on their security to obtain the money to pay for repairs. He cannot use part of any income he may have from American securities for the purpose. But if he can rent the property or derive income from it some way he can use that income for the purpose.

Peanut Farm in Louisiana

Accordingly, a man having a peanut farm in Louisiana could use part of the revenue derived from its operation for the upkeep of the place, accounting for the total revenues and the part used to the Foreign Exchange Control Board.

It is understood by implication that if a Canadian resident had no other resouces in the United States, he would be able to obtain the necessary exchange to protect his investment.

Under regulations passed last spring the Foreign Exchange Control Board virtually conscripted all United States exchange arising from investments held by Canadian residents as well as Canadian balances in United States banks. These holdings were not confiscated but made available to the Board to be paid for in the corresponding amount of Canadian funds.

KNOW YOUR COUNTRY
This Canada of Ours!
IMPORTS
1913/14 - - - $619,000,000
1929 - - - - -1,299,000,000
1932 - - - - - 453,000,000
1939 - - - - - 751,000,000

Imports have shown increases in recent years, and at the same time there has been an even larger recovery in exports. This has been a leading cause of the improvement in Canada's trade balance. Our "favorable" merchandise balance of $185 millions in 1939 compares with a "deficit" of $121 millions in 1929.

TRADE IS A TWO WAY HIGHWAY
A mutually satisfactory exchange of goods and services is the basis of both domestic and foreign trade.

FOR YOUR LOCAL AND DOMESTIC TRANSACTIONS
—we have branches in all larger centres in Canada and throughout the country.

FOR YOUR FOREIGN TRANSACTIONS
—we have branches in Newfoundland, Jamaica, Cuba, Puerto Rico and Dominican Republic, London, New York, Boston, and correspondents throughout the world.

Know Your Bank and its many services.

The BANK of NOVA SCOTIA
EST. 1832—OVER A CENTURY OF BANKING EXPERIENCE

To get you what your industry needs!

RAW materials!—location!—warehousing!—power!—this department is equipped to search out and secure your industrial requirements—a free service to facilitate Canada's development.

DEPARTMENT OF INDUSTRIAL DEVELOPMENT

G. G. OMMANNEY, Development Commissioner
F. M. HUTT, Asst. Development Commissioner
MONTREAL
F. W. COLLINS, Industrial Commissioner
WINNIPEG
R. J. PRITTIE, Industrial Commissioner
TORONTO
F. K. HOLLYMAN, Industrial Agent
VANCOUVER
C. W. McBAIN, Industrial Agent

Canadian Pacific
WORLD'S GREATEST TRAVEL SYSTEM

Weekly Statement Bank of Canada

The Bank of Canada continues to accumulate reserves of sterling and United States exchange. The bank's statement for the week ended Nov. 13 showed a total of $65.1 millions up $11.1 millions. Investments, however, were down $5.5 millions and other assets up $2.6 millions.

On the liability side, note circulation fell $1.1 million while Dominion deposits were almost $8 millions higher at $67.6 millions.

Balance Sheet

	Nov. 13 1940 $	Nov. 6 1940 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	334,745,499	335,913,799
Rest fund	2,449,757	2,449,756
Depos.: Dominion	67,648,534	59,743,774
Bank	221,511,563	221,720,170
Other	13,383,318	11,452,171
Total deposits	302,543,415	292,916,115
All other liabs.	7,125,366	7,410,736
Total liabs.	651,864,037	643,690,397
Assets		
Reserve:		
In sterl. & U. S.	65,175,657	54,032,937
Subsidiary coin	631,449	640,412
Investments:		
Dom. Gov. short	432,083,095	437,262,848
Other Dom. Gov.	143,618,827	143,997,656
Total invest.	575,701,922	581,260,504
Premises	1,734,291	1,732,481
All other assets	8,620,718	6,024,063
	651,864,037	843,690,397

Weekly Bank Clearings

	Nov. 14 1940 $	Change Year Ago %	Nov. 7 1940 $
Halifax	2,746,352	—3.4	4,283,966
Saint John	2,111,400	+13.0	2,408,310
Moncton	750,483	+5.3	1,046,351
Sherbrooke	817,098	—2.1	896,699
Quebec	4,354,986	—4.1	5,939,664
Montreal	80,192,379	—12.5	112,641,973
Ottawa	29,289,552	+82.3	50,207,224
Kingston	625,742	+4.0	900,485
Peterborough	551,466	—3.9	728,514
Toronto	93,513,674	—5.6	162,581,547
Hamilton	5,063,985	—11.1	6,607,839
Kitchener	1,060,501	—3.4	1,354,139
Brantford	791,341	—2.8	1,074,527
London	2,303,743	—7.4	3,250,067
Chatham	612,886	—4.1	740,048
Sarnia	419,161	+13.3	523,161
Sudbury	1,129,285	+0.8	1,071,974
Fort William	719,712	+0.8	1,013,054
Winnipeg	43,014,188	—42.2	42,256,098
Brandon	359,498	+0.2	552,465
Regina	5,548,601	—2.2	5,702,785
Moose Jaw	585,345	—16.5	867,246
Saskatoon	1,407,267	—14.0	1,999,898
Edmonton	4,003,195	—8.1	5,161,186
Calgary	6,273,689	—4.5	7,105,930
Lethbridge	1,017,193	+11.2	......
Medicine Hat	375,097	+50.6	469,642
N. W'minster	634,886	+12.9	782,489
Vancouver	14,450,199	—17.2	20,830,799
Victoria	1,520,287	—7.7	2,030,947

Monthly Bank Clearings

	Oct. 1940 $	Oct. 1939 $
Halifax	14,387,859	11,271,254
Saint John	9,487,496	8,056,205
Moncton	4,051,468	3,559,871
Sherbrooke	4,154,525	3,536,036
Quebec	24,322,767	22,896,249
Brantford	4,638,783	4,184,123
Montreal	487,379,315	409,885,742
Ottawa	187,285,867	100,817,259
Peterborough	2,921,179	2,900,946
Toronto	533,171,262	456,897,579
Hamilton	28,794,686	26,727,074
Kitchener	5,218,456	5,225,503
Kingston	3,208,086	......
London	13,815,000	11,804,706
Sarnia	2,034,474	1,881,132
Sudbury	4,871,671	4,705,856
Chatham	2,916,463	......
Windsor	13,883,569	......
Fort William	4,022,708	3,371,879
Winnipeg	231,882,888	314,003,007
Brandon	2,093,249	2,050,079
Moose Jaw	3,823,926	3,805,990
Saskatoon	8,958,887	9,251,710
Edmonton	22,101,324	......
Prince Albert	2,258,658	2,119,221
Calgary	34,021,488	41,426,806
Lethbridge	2,694,907	3,311,476
Medicine Hat	1,874,785	1,944,528
New Westminster	3,630,875	2,963,191
Vancouver	85,790,209	77,206,059
Victoria	8,738,680	7,754,911
Regina	32,232,804	......

Tax Situation Study Urged

Bankers' Head Urges Govt. to Consider Effect on Postwar Economy

"The present rate of taxation leaves to the manufacturer the wholesaler and others little margin for increased profit," H. T. Jaffray, general manager of the Imperial Bank of Canada and President of the Canadian Bankers' Association stated in his presidential address at the meeting of the latter body in Toronto last week.

The present tax scale gives little opportunity to set up proper reserves against the heavier inventories necessitated by the increased volume of turnover in nearly all business, he continued, adding: "It seems to me that the Government in assessing for taxation should take this factor into consideration, as it would be regrettable indeed if, after the war, the businessmen of the country were faced with the necessity of reducing these inventories and, with inadequate reserves against them, a situation of deflation with its accompanying suffering and unemployment were brought about even where there had been no inflation."

Taxation if carried to an extreme might bring results not greatly different from those of inflation.

Condemns Inflation

He condemned any suggestion that Canada should resort to inflation because such experiments usually bring in their wake the aftermath of depression. This would be unfair to labor.

The banks themselves he indicated, after one year of war, had immediately available assets amounting to 19% of total deposit liabilities, down only 3% from a year ago. A very moderate decline. He stressed the ability of the banks to finance the requirements of their customers in the war effort.

Bank Chat

Canadian banks with branches in Newfoundland are reportedly expecting an increase in business because of the pending establishment there of United States naval and air bases. Expenditures, it is expected, will be substantial and an increase in the defense and civilian population at these points is anticipated, which will mean a greater demand for bank services.

Outside of the Newfoundland Government Savings Bank and the Post Office Savings branch, all banking in the Island is done by four Canadian banks operating there, the Montreal, Royal, Commerce and Nova Scotia. Canadian currency and chartered bank notes are used widely, there. The Newfoundland dollar is tied closely to the Canadian dollar and while Newfoundland has its own Foreign Exchange Control Board it operates practically as a committee of the Canadian Board.

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The Imperial Bank is closing its branches at Timagami, Ont., and Bracken, Sask., from Nov. 30, 1940.

• • •

A. P. Giannini, chairman of the Bank of America, San Francisco, is developing a new field for American banking—the financing of private airplane purchases. Under the plan, it appears, private individuals can buy airplanes with loans from the bank, to be repaid in installments in the same way that the purchase of private automobiles is financed.

Mr. Giannini is also cultivating the booming aircraft industry by lending tuition money to student pilots, engineers and mechanics in the aviation schools of California.

So far the Bank of America appears to be the only one in the United States actually in this new field.

Canadian bankers, while interested in the development, believe it unlikely that Canadian banks will follow the lead of the Bank of America. There are a number of reasons for this belief. Banking laws here are different, restricting the types of security on which the banks can make loans.

It is also pointed out the financing of aircraft purchases in the United States is an outgrowth of financing of automobile purchases on the installment plan. In Canada, automobile purchases are not usually financed by the banks directly but often indirectly through finance companies, which themselves are customers of the banks. Hence when private purchases of aircraft in this country reach the stage where there is a demand for financing of installment purchases on a large scale, it is thought likely this will be done mostly by finance companies, similar to those handling the installment purchases of automobiles.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

H. M. TURNER, an assistant inspector at head office, Toronto, to be inspector in department of the superintendent of Maritime and Newfoundland branches, Halifax.

J. C. MACPHERSON, manager The Pas, Manitoba, to be manager Parry Sound, Ont.

C. O. MONROE, manager Caledon, Ont., to be manager Walkerton, Ont.

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The Bank of Nova Scotia announces the following staff changes:

H. P. DESBOROUGH to be accountant Glace Bay, N.S.

M. I. GAMBLIN to be accountant Sydney Mines, N.S.

• • •

The Imperial Bank of Canada announces the following staff changes:

L. J. BERGMAN, manager Bracken, Sask., to be manager Rockglen, Sask.

W. Q. CLARK, accountant, Kirkland Lake, Ont., to be accountant, Ottawa.

A. E. WHITFIELD, assistant accountant, Windsor, to be accountant, Kirkland Lake, Ont.

F. L. O'BRIEN, accountant, Ottawa, to head office, Toronto.

L. A. Langan, teller-accountant, Fernie, B.C., to be accountant, Cranbrook, B.C.

W. E. GODFREY, accountant, Cranbrook, to be manager, Natal, B.C.

G. B. TURNER, manager, Natal, B.C., to be manager, Fernie, B.C.

A. MILLER, teller-accountant, Portage la Prairie, Man., to be accountant, Moose Jaw, Sask.

R. G. HICKS, assistant accountant, Calgary, to be manager, Piapot, Sask.

L. L. MASON, manager, Piapot, Sask., to be manager, Norwood Vlvd., Edmonton.

J. G. STAFFORD, western relief staff, to be accountant, Kenora, Ont.

C. A. BLAD, manager, Rockglen, Sask., retires on account of ill health.

H. L. REID, manager, Fernie, B.C., retires owing to ill health.

J. VEREKER, manager, Norwood Blvd., Edmonton, granted leave of absence on enlistment in armed forces.

U. S. Organization is Told How Ontario Debts Cut

Substantial reductions in debenture indebtedness have been effected by Ontario municipalities during the period 1932-39, according to Hon. Eric Cross, Minister of Municipal Affairs, a recent speaker before the American Municipal Association at its Chicago convention.

Figures of $388 millions at the end of last year was down $116 millions from seven years previous. Total of $73 millions outstanding on Dec. 31, last, is payable in Canadian or New York funds—the balance in Canadian funds only.

Mr. Cross expresses the opinion Ontario municipalities are in sounder position than at any time during the last 15 years. Per capita municipal debt is at its lowest figure since 1920. Municipal per capita tax levy is less than in any year for two decades.

Defaulters Eliminated

The Minister reported that defaulting municipalities have been almost eliminated. Total of $97 millions of the $104 millions of debentures in default have been refunded since 1937.

Capital expenditures now can be made only on authority of the provincial department.

War Measures

Two amendments to the Municipal Act act as safety valves. One empowers all municipalities to issue "callable" debentures. This permits the issue of debentures at prevailing rates of interest and subsequently to recall and re-issue at such lower rates as might prevail later on. Legislation of this sort was based upon experience during the first Great War, when interest rates for municipal borrowings went as high as 6½%. After the war, interest rates went much lower. Had a "callable" feature been included, substantial savings could have been effected. The "callable" feature is one followed in dealing with defaulted municipalities.

Another war measure has been an amendment requiring all patriotic grants to be met out of current revenues. During the last war, debentures were issued for patriotic expenditures to be paid over 15 to 20 years. When the war was over, heavy capital expenditures were needed for reconstruction purposes, and municipalities found themselves still levying for war debentures during periods of economic stress.

Adverse Exchange a Handicap

The adverse exchange situation on municipalities with debenture issues payable in New York funds has worked a handicap, the Minister reports. There has been no thought of any repudiation, "but if the exchange should go to higher levels some very difficult situations may result," Mr. Cross warns. Some municipalities, he continues, have protected themselves by sinking fund investments in securities which also are two-market bonds.

The problem of American exchange, the Minister reports, is not a new one. Some years ago the province established legislation refusing municipalities permission to issue debentures payable in anything but Canadian funds, so the problem promises to become progressively lighter.

Paying Relief by Cash

Mr. Cross features the substantially improving relief situation in Ontario. This year all municipalities in Ontario but one met relief expenditures from current account, the Minister said, adding "it cost probably 10 times as much to provide wages by work programmes as to provide material aid."

Stringent wartime economy is being urged upon municipalities, according to the Minister. The department discourages setting up new departments of municipal government and establishing pension schemes requiring large annual commitments.

Rolland Paper Sales Better

Both Export and Domestic Business Show Appreciable Gains

From Our Own Correspondent

MONTREAL.—Sales of Rolland Paper Co., manufacturers of fine paper, in the year to date are substantially higher than in the same period last year. Volume for the entire year will be well ahead of last year, The Financial Post is officially informed.

Both export and domestic business has shown marked increase. When Scandinavian competition was eliminated by German invasion, export demand spurted. Export markets include South Africa, Australia, India and other parts of the Empire. Subject to unforeseen circumstances these markets are expected to import considerable quantities of fine paper from Canada in the future.

A lull was experienced in business in the period from August to early fall, but business has now been restored to its former levels.

Increase Common Dividend

Earnings are expected to be ahead of last year. Specific effects of the "excess" profits tax are still unknown.

In 1939 the company reported substantial improvement in earnings, with net profit increasing from $126,930 to $196,214. This was equal to earnings on the 60,001 common shares outstanding of $1.77 in 1939 and 62 cents in the previous year.

Indicating betterment in operations during the current year, the quarterly dividend to be paid Nov. 15 has been increased to 30 cents. Previous payment was for 15 cents. Disbursements in the year to date total 75 cents, against 60 cents in 1939.

THE SAFE CONVENIENT WAY TO CARRY MONEY
Canadian Pacific Express
TRAVELLERS CHEQUES

Mr. BUSINESSMAN
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Barber-Ellis of Canada, Limited
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BRANCHES FROM COAST TO COAST

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DRURY'S
RESTAURANT, LIMITED
LEO DANDURAND, PRESIDENT

Because the pleesent, inviting atmosphere of the Oak Room is so restful — so conducive to sparkling conversation and to vigorous appetite — and because DRURY'S is recognized as the proper place for business and social meetings

1082 OSBORNE STREET, MONTREAL
ON DOMINION SQUARE WHERE PARKING IS EASY
SEA FOOD BAR ◆ CHOICE BEVERAGES ◆ OPEN SUNDAYS ◆ AIR CONDITIONED

Dominion Treasury Bills

Yield of 0.636% is reported on $40 millions Dominion Treasury Bills dated Nov. 15, comparing with 0.635% for the previous issue dated Nov. 1. The Nov. 15 issue was sold at an average price of 99.84178, compared with 99.84193 for the Nov. 1 issue.

Current issue is to redeem $40 millions dated Aug. 15.

IMPERIAL BANK OF CANADA

66th ANNUAL STATEMENT

Year Ending October 31st; 1940

Profit and Loss Account

Profits for the year ended 31st October, 1940, after providing for Dominion and Provincial Taxes	$ 487,882.90	
Staff Pension and Guarantee Funds	101,583.98	
and after making appropriations to contingent accounts, out of which accounts full provision for bad and doubtful debts has been made		$ 961,017.67
Dividends at the rate of 10% per annum		700,000.00
		$ 261,017.67
Written off Bank Premises	$ 150,000.00	
Reserved for contingencies	100,000.00	
		250,000.00
Balance of Profits carried forward		$ 11,017.67
Profit and Loss Balance 31st October, 1939		665,634.04
Profit and Loss Balance 31st October, 1940		$ 676,651.71

BALANCE SHEET

LIABILITIES

Notes in Circulation		$ 4,980,000.00
Deposits by and balances due to Dominion Government	$11,998,310.24	
Deposits by and balances due to Provincial Governments	11,740,383.88	
Deposits by the public not bearing interest	49,262,273.00	
Deposits by the public bearing interest, including interest accrued to date of Statement	92,452,784.63	
		165,453,751.75
Deposits by and balances due to other Chartered Banks in Canada	$ 1,235,313.05	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	1,718,273.63	
		2,953,586.68
		$173,387,338.43
Acceptances and Letters of Credit Outstanding		2,251,575.65
Capital Paid Up	$7,000,000.00	
Reserve Fund	8,000,000.00	
Dividends declared and unpaid	176,149.33	
Balance of Profits as per Profit and Loss Account	676,651.71	
		15,852,801.04
		$191,491,715.12

ASSETS

Subsidiary Coin held in Canada		$ 368,796.52	
Notes of Bank of Canada	$ 6,170,215.00		
Deposits with Bank of Canada	11,236,947.47		
		17,407,162.47	
Notes of other Chartered Banks		215,960.00	
Government and Bank Notes other than Canadian		58,754.28	
			$ 18,050,673.27
Deposit with the Minister of Finance for the security of note circulation			258,327.95
Cheques on other Banks			9,367,690.23
Deposits with and balances due by other Chartered Banks in Canada			647,376.84
Due by Banks and Banking Correspondents elsewhere than in Canada			4,109,592.38
			$ 32,433,660.67
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value		$37,862,270.02	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value		28,941,310.84	
Canadian Municipal Securities, not exceeding market value		5,658,192.63	
Other Bonds, Debentures and Stocks, not exceeding market value		57,592.45	
			72,519,365.94
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		$ 3,588,189.97	
Loans to Provincial Governments		487,501.04	
Loans to Cities, Towns, Municipalities and School Districts		5,857,900.91	
			9,933,591.92
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for			67,878,158.82
Non-current Loans, estimated loss provided for			316,813.23
Real Estate other than Bank Premises			77,710.75
Mortgages on Real Estate sold by the Bank			302,988.85
Bank Premises, at not more than cost, less amounts, if any, written off			5,743,114.39
Liabilities of Customers under Acceptances and Letters of Credit as per contra			2,251,575.65
Other Assets not included under the foregoing heads			34,734.90
			$191,491,715.12

A. E. PHIPPS, *President*   H. T. JAFFRAY, *General Manager*

AUDITORS' REPORT TO SHAREHOLDERS

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at 31st October, 1940, and compared it with the books at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.
of Peat, Marwick, Mitchell & Co.
W. D. GLENDINNING, F.C.A.
of Glendinning, Gray & Roberts

Toronto, 18th November, 1940.

Week in Mining

Miners See New Danger In Depleted Resources

Meetings in Vancouver and Winnipeg Emphasize Need For Further Prospecting and Wider Development if Mining to Be Kept Up

The urgent necessity of finding new sources of mineral wealth to relieve the unprecedented pressure being placed on operating mines by the demands of war was emphasized by speakers before the annual meetings of the Canadian Institute of Mining and Metallurgy at Vancouver, and the Manitoba Chamber of Mines, in Winnipeg.

A warning note was sounded by George C. Bateman, Canada's metals controller and president of the C.I.M.M., who urged that Federal and provincial governments should co-operate with the mining industry in a thoroughgoing programme of geological investigation with a view to finding new properties. Details of Mr. Bateman's Winnipeg speech will be found elsewhere in this issue.

B. C. Meeting

Dr. John F. Walker, British Columbia's deputy minister of mines, said at the B.C. meeting that the major problem before the industry was how to maintain production year after year in excess of the development of new properties. Output was already seriously surpassing replacement, he said.

"There is not sufficient prospecting going on in Canada to meet the demands of the immediate future unless we are blessed with phenomenal luck," said Dr. Walker, who added that it might be necessary to subsidize prospecting.

Before the country could embark on a large-scale prospecting programme, however, it would be necessary to carry out a more extensive geological survey. British Columbia alone should have a minimum of 10 geological parties out every summer, he asserted.

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Accident Prevention

Prevention of mining accidents through systematic compilation of statistics featured one of the sessions, which were presided over by Mel O'Brien, of Consolidated Mining & Smelting Co.

"The Canadian mining industry as a whole is at sixes and sevens in regard to accident statistics," said W. B. Paton, inspector of mines for Manitoba, who suggested that Canada should follow the example of the United States bureau of mines in putting accident prevention work on a proper scientific basis. At present Canadian precautions extended only as far as first aid treatment, although a few of the larger mines had improved facilities."

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Manitoba's Miners

At the joint annual meeting of the Manitoba Chamber of Mines and the Winnipeg branch of the C.I.M.M., held on Nov. 20, J. D. McDonald, Chamber of Mines president, stressed the important growth of a vast western Canada mining industry within the past decade.

In 1926, metal production of Manitoba was only 166 ounces of gold. Figures for 1940 are not yet available but mineral production of the province last year was over $15 millions, Mr. McDonald pointed out, made up of gold, silver, copper, zinc, selenium, cadmium and tellurium. Dividend distributions by Manitoba mines up to the end of 1939 amounted to over $22 millions.

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Porcupine Dividends

Inauguration of dividend payments by Naybob Gold Mines emphasized the enormous increase in the number of new Porcupine companies paying dividends lately. A few years ago, there were just four large companies paying dividends, Hollinger, McIntyre, Dome Mines and Buffalo Ankerite. Now the area has a total of 13 dividend-payers and a fourteenth is in prospect.

The new dividend payers may be divided roughly into three groups. In the new northeastern part of the camp are Pamour, Hallnor and Broulan. In the original main sector, Preston East Dome, Moneta, Coniaurum and Paymaster have been added to the "senior" producers. In the southern section—considered utterly worthless before Buffalo Ankerite proved its possibilities—Delnite and Naybob are now paying dividends with Aunor Gold Mines expected to make its maiden distribution shortly.

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Distributes Shares

McKenzie Red Lake will make an unusual distribution to shareholders on Dec. 18. Along with its regular quarterly dividend of 3 cents a share, the company will pay out one share of McMarmac Red Lake Gold Mines for each five shares of McKenzie Red Lake held on Nov. 30.

McMarmac is a new producer which was almost entirely financed into production by McKenzie Red Lake. First figures on production are understood to indicate that results will be fully up to expectations when construction of the mill was undertaken. McKenzie Red Lake is understood to own something over one million shares of McMarmac Red Lake, with the present distribution involving a total of 580,000 shares.

Highlights of War Effort As Told to Parliament

In Parliament, key speeches on the country's war effort are being delivered by the heads of several war portfolios. Highlights of fact and figures from the addresses are here briefed for Post readers.

HON. J. L. RALSTON

At Oct. 29 total strength of the Canadian army including active units overseas and in Canada and the reserve units was over 300,000.

New active army units have been mobilized including:

An armored car regiment.
Two light anti-aircraft regiments.
Two army field workshops.
A motor ambulance convoy.

Twenty companies of the Canadian Forestry Corps have now been raised.

One armored brigade is already being organized and expanded into a complete group by the addition of the necessary artillery, engineery, army service corps and ordnance units, which are now mobilizing.

Experience has taught us that an army is not an army unless it has bands . . . authority has been granted for the formation of bands in many active army units from personnel in the present unit establishment.

We have troops in Iceland, Newfoundland and in the Caribbean.

Sending a formation overseas does not merely involve the raising of say 15,000 men for a division with its ancillary troops, but it also means that we take on an obligation of reinforcing that division in all its ranks. Under normal war conditions, these reinforcements might amount to 100% in the year.

The first 30-day camp has been a distinct success.

Under present conditions, it is essential that the needs of war industry for man power be not interfered with.

We have indicated to the departments concerned that we are ready to consider . . . granting extended leave to enlisted men in Canada who can be spared and whose services are requested by their former employees in connection with wartime production.

We are now considering the further step of lengthening the training period to four months and reducing the aggregate number of men to be called from civil occupations in the year.

In any case, there will be at least two more 30-day training camps, the one opening Nov. 22 and another one opening early in January.

For the future, every candidate for a commission in the Canadian army must first pass through the ranks.

We now have winter quarters in Canada for approximately 150,000 troops compared with less than 50,000 in the winter of 1939-40.

My information is that the (Government rifle) factory will be in production by the middle of 1941.

By the end of the first year's production, we expect to have three times as many (Bren) guns delivered as were called for by the contract.

While delivery (of 25-pounder field guns) will not be as early as expected, the Minister of Munitions and Supplies anticipated that a considerable number will be forthcoming in 1941.

• • •

PRIME MINISTER KING

War contracts on Canadian account to Nov. 4 totalled $443 millions; 87% spent in Canada, 8% in the United Kingdom, 5% in the United States.

Canada's October war expenditures were at the rate of almost a billion dollars a year.

Canada has on active service:

Army in Canada	115,324
Overseas	52,093
Total	167,417
Navy	13,034
Air Force	30,599

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The Canadian army has lost by death in action, wounds, disaster, accident and misadventure, 168 officers and men.

We have lost in the Royal Canadian Air Force 27 officers and 41 airmen in Canada, outside Canada 5 officers and 2 airmen, in addition 203 Canadians serving with the Royal Air Force.

Total of lives lost at sea up to the end of October was 241. These figures do not include losses of Canadian merchant seamen.

Naybob Inaugurates Quarterly Dividends

Directors of Naybob Gold Mines have decided to place the company on a regular dividend basis and two dividends of one cent each have been declared, it is officially announced. The first dividend is payable Jan. 15, 1941, to shareholders of record Jan. 1, 1940, and the second dividend is payable April 15, 1941, to shareholders of record Apr. 1, 1940.

Decision to pay dividends at a regular rate was made when the management "concluded that earnings were sufficient to meet both cost of the current programme of major expansion and disbursement of dividends on the stated basis, without impairing treasury position which now stands at a net cash figure well in excess of $200,000."

Bulolo Profits Rise Sharply

Larger Yardage Dredged and Higher Price Received For Gold

A sharp rise in profits was experienced by Bulolo Gold Dredging in the fiscal year ended May 31, 1940. Earnings were equal to $4.48 a share compared with $3.55 a share in the preceding year.

Output for the year of 185,016 oz. of gold and 81,567 oz. of silver, worth $7,118,279, was obtained from 18,353,000 cubic yards dredged. In the previous year, 158,970 oz. of gold and 67,939 oz. of silver were recovered with 14,688,000 cubic yards dredged.

Using Eight Dredges

The company's eighth dredge started operation on Nov. 7, 1939. The No. 3 dredge resumed work on March 1, 1940, after being shut-down for alterations.

The new 2,800 h.p. hydro-electric plant has been completed. This and the company's two other power plants is expected to ensure a steady supply of power. Working costs, excluding amortization and gold tax, amounted to 8.29 cents per yard, or to 12.59 cents including the 5% gross royalty paid to the Mandated Territory of New Guinea, and the gold tax paid to Australia.

Gravel reserves as at May 31, 1940, were estimated at 164 million cubic yards with about 20 million yards which will be handled with hydraulic equipment. A year previously reserves were 182 million yards with a further 20 million cubic yards for hydraulicking operations.

Income and Surplus Account
Years Ended May 31

	1940 $	1939 $
Bullion produced	7,118,279	5,595,572
Less: Working costs ..	1,357,369	1,294,517
	5,760,910	4,301,055
Less: Misc. expenses .	144,977	127,707
Market. expenses ..	19,936	23,403
Royalties	327,202	275,859
Australian gold tax .	462,386	......
Operating profit	4,806,409	3,874,086
Less: Amortization ..	322,634	322,634
Net profit	4,483,775	3,551,452
Less: Dividends	3,000,000	3,000,000
Surplus for year	1,483,775	551,452
Add: Prev. surplus ...	2,701,762	2,150,310
Surplus for year	4,185,537	2,701,762
Earnings Per Share and Dividend Record:		
Earned	$4.48	$3.55
Paid	3.00	3.00
No. of Shs. Outstand.	1,000,000	1,000,000
Working Capital		
Current assets	4,336,927	3,119,625
Current liabilities	1,745,669	2,555,964
Working capital*	2,591,258	563,661

*Not including amortization fund of $1,237,794 in 1940 and $1,753,934 in 1939.

Bonetal Extends Main Ore Zone

"Best Hole Yet" Runs .192 oz. For 24.5 Ft.—Shares Underwritten

What is described as the "best hole yet" has been completed by Bonetal Gold Mines showing a core width of 24.5 ft. averaging 0.192 oz. gold or, alternatively, 36.5 ft. running 0.162 oz. gold. Additional values were 15 ft. running 0.06 oz. and 2 ft. averaging 0.14 oz.

The latest hole, No. 34, is located 150 ft. west of drill hole No. 30, reported previously, and extends the known length of the main ore zone to 1,100 ft., running directly from the east boundary westward. Hole No. 30, on complete assaying, gave the following values: 23.5 ft. averaging 0.045 oz.; 8.2 ft. running 0.12 oz.; 29 ft. of 0.05 oz.; 8.7 ft. of 0.175 oz. and 1.8 ft. of 0.46 oz.

Three holes put down 300 ft. west of hole No. 34 encountered diabase and no information was secured. A hole 800 ft. west of No. 34 did not encounter values.

One further drill hole is being completed to a depth of 1,700 ft.; this will terminate the current drilling campaign.

New Zone Indicated

Interesting possibilities are suggested by hole No. 33 drilled northwest from a location 80 ft. south of the collar of No. 30 hole. A core width of 3.5 ft. secured in this hole ran 1.16 oz. The only hole which may possibly have cut this zone is one 500 ft. to the east where two sections of 3 ft. yielded low values after excluding visible gold.

Collar for the three-compartment shaft has been poured and a headframe is being completed.

During October, November and December 300,000 treasury shares were underwritten for $75,000. A further underwriting on 383,333 shares for $100,000 has been agreed to, payable $20,000 monthly starting January.

Mr. T. C. Newman has resigned from the board of directors but remains as secretary-treasurer. George B. Webster, representing the financing interests, takes his place on the board.

Walter F. Brown, previously assistant manager at Siscoe, has been appointed manager.

Broulan Porcupine Pays 2nd Dividend

An interim dividend of 3 cents a share has been declared by Broulan Porcupine Mines payable Dec. 21, 1940, to shareholders of record Dec. 6. An initial dividend of similar amount was paid Sept. 30, 1940.

The Broulan mill which turned over late in October is now in steady production at approximately 300 tons a day. Production is being continued for a short time at the Mace mill on a reduced tonnage basis to offset absorption of gold by the new mill.

Production and operating profits for the last quarter are expected to be equal to or above corresponding figures for the third quarter, it is stated. Production was below normal during the first part of the quarter due to sorting being temporarily discontinued while the ore bin was being rebuilt and new sorting equipment installed. New sorting equipment is now in use and eliminates from mill feed waste rock used to fill cut and fill stopes.

Balance sheet as at Oct. 31, 1940, showed net current assets including bonds of over $165,000.

Week in Oils

Four of New Wells Hold Big Promise

And Remaining Five of New Successes Held Likely to Rank as Better Than Average Producers

From Our Own Correspondent

CALGARY.—At least four of the nine wells recently completed in the Turner Valley field rank as major producers, while the remaining five will rank as good to better-than-average producers, according to a survey made by The Financial Post this week.

The nine wells between them are expected to add at least 5,000 and possibly as much as 7,000 bbls per day to the field's production. The 119 older wells are, according to the Conservation Board Production Schedule for November, producing just under 25,000 bbls. per day. Allowing for the normal decline in allowable output of these older wells to prevent an unwanted increase in gas-oil ratio, it appears very likely that the nine new wells will result in a substantial increase in Turner Valley's allowable production for the coming month.

Such an increase in field "potential" and actual production, combined with the fact that all the recently completed wells are good to major producers, will be welcome news to the powers charged with stepping up home oil production to conserve much-needed foreign exchange.

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Foothills 5 Biggest

Biggest of the new crop of Turner Valley wells is Foothills No. 5, North Turner Valley test, L.S.D. 13 27-20-3w5. Completed two weeks ago with an initial production of 85 bbls. hourly, the well showed a flush of about 300 bbls. hourly following acid treatment. On the Conservation Board choke test, the well produced 141 bbls. in the final hour, establishing a daily flow rate of 3,384 bbls. As the gas-oil ratio and bottom-hole pressure are very satisfactory, it is expected the well will be assigned a daily production quota of at least 1,000 bbls. and more likely as high as 1,500 bbls per day.

North End test Home Millarville No. 2 is the field's present largest producer, with a quota of 1,100 bbls. daily.

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Alberta Incomes 2 Next

Second of the new producers is Alberta Oil Incomes No. 2, most northerly test yet completed to the lime in Turner Valley. Last week the well completed Conservation Board tests, and was assigned an allowable for November of 31,950 bbls.—equivalent to a daily allowable of 1,065 bbls. On choke test the well produced 78.51 bbls. in the sixth hour, establishing a daily flow rate of 1,884 bbls. Gas-oil ratio is among the best in the field, being measured at 1,189 cu. ft. per bbl. Bottom hole pressure is around the 2,000 pound mark.

Incomes No. 2 showed a heavy oil volume after completion, but initial gas volume was too small to sustain a steady flow. Heavy acid treatments were applied, and the well wound up with a final flush exceeding 120 bbls. hourly.

The test, which extends the proved oil area a further three quarters of a mile north, was sponsored by several royalty firms through the issue of preferred net royalties.

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Calmont Northwest 2

Calmont Northwest No. 2, a test on the Central West Flank, is a third major producer among the new completions. On test the well produced 96 bbls. in the final hour, to give a daily flow rate of 2,304 bbls.

Calmont 2 started off with 15 bbls. hourly with booster gas aid. After acid treatments the well wound up with a flush exceeding 180 bbls. hourly. Gas-oil ratio is very satisfactory, being about 1,100 cu. ft. per bbl. A rough comparison with performance of other wells indicates that the Calmont 2 allowable, when set, will be 600 to 800 bbls per day.

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Arrow Royalties 2

Another new central flank producer, Arrow Royalties No. 2, also appears slated for major ranking. The well started with a yield of 150 bbls. daily. Three acid treatments raised output to over 600 bbls. daily. Further acidizing was under way this week, with output expected to show a further increase. Allowable yield is generaly expected to be set at at least 600 bbls. per day, and possibly more.

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More Look Good

North End test Home Millarville 5, completed last week, and Central Flank test Twin Valley 1 are other new wells expected to wind up in the better-than-average class. Home No. 5, like Incomes 2, showed a heavy oil volume but a small gas volume after clearing of fluid. Despite this, production of 200 to 250 bbls. daily was obtained by periodic blowing down.

Twin Valley was placed on production with an initial yield by heads of 250 bbls. or more per day. It was undergoing acid treatment this week.

Northwest Hudson Bay No. 4, recent completion in the far south end of the field, is expected to receive a quota of at least 400 bbls. per day.

Central Flank test Okalta Oils No. 9, which appeared to be almost a dry hole after completion, has been given acid treatment, totalling 23,500 gallons, and is now producing steadily at between 230 and 275 bbls. per day. Its allowable production is expected to be set at around the 240 bbls. mark.

The latest of the nine completions, Central Flank test Allied Royalties No. 1, was undergoing acid treatment this week, with better-than-average production expected.

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Test the Northwest

Work was stated at location this week for a new test of the northwest extension of Turner Valley. The new well, Major Oil Investments No. 2 will go down, L.S.D. 12 4-21-3w5, half a mile north of the present most northerly producer, Alberta Oil Incomes No. 2. The location was selected on the recommendation of Dr. J. O. G. Sanderson, Calgary geologist, whose work on the North End was responsible for the successful "wildcatting" in this area by Home Oil and Alberta Oil Incomes. In his report on the Major site, Sanderson estimates the limestone will be reached around 7,000 ft., about 1,300 ft. higher structurally than Alberta Oil Incomes No. 2.

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Three More Spudding

Three more Turner Valley wells were spudded in this week, raising the number of wells actually making footage to 21. The new ventures are Calmont-Northwest No. 3, L.S.D. 4 18-19-2w5; British Alberta-Brown No. 1, L.S.D. 14 13-19-3w5, and Foothills No. 8, L.S.D. 12 27-20-3w5. The B. A.-Brown Oil Co., Brown Oil Corporation, Federated Petroleums and its subsidiaries.

Still more new well locations have added to the winter development programme this week. The new Turner Valley sites include: British Alberta-Brown No. 2, L.S.D. 2 24-19-3w5; Argus Royalties No. 2, L.S.D. 3 25-19-3w5; Royalite No. 55, L.S.D. 7 7-19-2w5; and two new Royalite sites for which names have not yet been selected.

Straw Lake Drifts On Ore at 700 Feet

Drifting eastward aat the 700-ft. or bottom level of Straw Lake Beach Gold Mines has disclosed more favorable ore conditions than on any of the five levels previously opened, the company reports. The drift length is now stated to show 400 ft. of ore averaging $21 across 17 inches with the face in ore. Based on results at the 575-ft. horizon, it is expected 150 ft. more ore will be added to this shoot.

Finish Shaft Job At East Malartic

Underground Drilling Gives New Ore Intersections, Report Says

Sinking of the main No. 3 shaft at East Malartic Mines was completed to its objective of 1,767 ft. during October, the company's monthly progress report reveals.

Two drill holes put out south from the main drifts at the fourth level during the month returned intersections as follows: 5 ft. averaging $4.90, 5.5 ft. running $3.35, 5.8 ft. running $3.85 a ton and 4 ft. averaging $6.30 per ton. Further drilling will be necessary to correlate these sections, it is stated.

Exploratory drilling was done from surface but only low values were encountered.

Production for October amounted to $272,354 from 45,632 tons of ore for an average of $5.97 a ton. In the previous month, recovery was $275,072 from 44,878 tons, an average of $6.13 a ton.

Extraction for October averaged 95.1%.

Nat. Malartic In High Grade

West Body Now at Least 200 Ft. Long — May Be 40 Ft. Wide

Drifting west at the 350-ft. level of National Malartic Gold Mines has encountered richer ore than any previously found in the company's underground work. This latest ore suggests that the average ore grade may prove considerably higher than originally thought.

Drifting west is in higher values than previously. Latest faces are reported as follows: $11.90 across 7 ft.; $23.43 over 8.7 ft.; and $25.25 over 7.4 ft. Cut values for the respective rounds were $11.90, $17.44, and $13.29. The latest drifting gives a length of 59 ft. of ore averaging $9.31 over 6.5 ft. Mucks ran $7 but certain lower grade material was included.

West Most Important

Drifting and recent crosscutting have determined that this west ore body is the most important yet opened up, officials report. It now shows an apparent length of 200 ft. with the west end continuing in ore. Its width has not yet been determined but it is stated to look like 40 ft.

The first crosscut put through the ore at the east end returned a width of 38.8 ft. averaging $11.84 a ton. The next crosscut through the ore to the west showed a width of 46.1 ft. running $4.68 on the west wall, including 10.1 ft. of $10 ore. Mucks ran $5.82. A new crosscut put out to the north, where a crosscut to the south had previously given low values, shows a width of 23 ft. with mucks averaging $9.97 a ton. Sampling the walls is only partially completed but 14.7 ft. on the east wall runs $6.05 and 15.4 ft. on the west wall averaged $5.57. From geological formation and values encountered in the previous crosscut, an additional ore width of 30 ft. is reported indicated. How wide the ore is further to the west is not yet known.

Mill Boost Near At Gold Fields

Last of New Equipment Expected Dec. 1—Raise Rate Gradually

With all its new milling equipment installed except the filters which are expected on Dec. 1, Malartic Gold Fields expects to gradually step up its milling rate after this date.

In the meantime production shows little change. Output for October amounted to $104,930 from 12,582 tons of ore for an average recovery of $8.34 a ton. This compared with the previous month's output of $107,332 from 12,579 tons for an average recovery of $8.53 a ton.

Work on Two Bodies

Development work during last month was concentrated chiefly on the "F" ore body and in preparation of the "D" ore body for mining. A total of 511.5 ft. of drifting and 239 ft. of raising was completed during the two months.

Drifting east was carried out on the "F" ore body at the first level with 116.5 ft. of drifting averaging 0.23 oz. cut grade across drift width. Drifting west on "F" ore body at the second level was carried in ore for 410 ft. averaging 0.30 oz. cut grade across an average width of 6.4 ft.

Crosscuts were extended to the south on the third and fourth levels towards the "F" ore body.

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Propaganda Aim Seen In Alberta Radio Plan

From Our Own Correspondent

EDMONTON.—A charge that the Alberta Government has taken a page from the Nazi book on the art of propaganda has been hurled at Premier Aberhart and his Cabinet. The charge came with criticism of the Government's plan to spend $30,000 for extension of the University of Alberta radio station to 1,000 watt capacity, double its present power.

Independent members of the Legislature voiced the criticism in a resolution passed at their recent caucus. At the same caucus they went on record as "absolutely opposed" to the renewed application in the House of Commons for a provincial bank charter.

Regarding the radio station expenditure, already approved by the Government, the Independent M.L.A.'s termed this an unwise expenditure at a time when the war effort needs every help.

The resolution continued: "We are of the opinion that the purpose behind the Government's action is for no other reason than to provide the Government with a means of disseminating political propaganda at no cost to itself under cover of giving departmental information to the public.

"It is reported that the Government has already pre-empted all unused time on this radio. This is obviously an attempt to introduce Hitler methods into Alberta. . . ."

While criticism of the provincial bank was being voiced, New Democracy House Leader John Blackmore was submitting his notice of motion renewing the application for such a bank. The Independents saw no useful purpose in such a bank and pointed to treasury branch operation in Alberta as a sorry precedent.

Perron Output Record; Extend Ore Showings

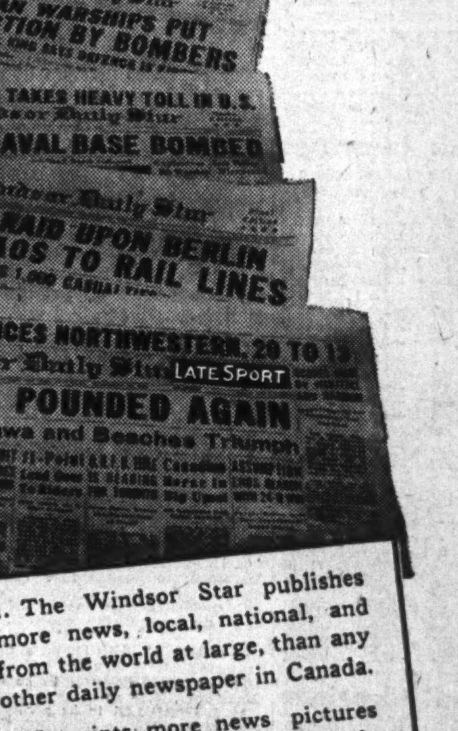
An all-time high for production was set by Perron Gold Mines in October. Output for the month was $191,544 from 12,028 tons of ore milled for an average recovery of $15.92 a ton. This compared with $187,172 from 12,474 tons and average recovery of $15.00 in September.

During October 480 cars of ore came from drifting on the 32 vein at the 1,125-ft. level. The average value was 0.40 oz. with the vein wider than the drift. Of ore milled during the month, 38% came from the 32 vein above the 1,025-ft. level. Three drill intersections extended the 925 ore body down for 40 ft.

Privateer Output Falls Due to Break-Down

Due to defective milling equipment now replaced, output of Privateer Mine was lower in October than the previous month. Production amounted to $83,537 from 2,309 tons of ore milled for an average recovery of $36.18 a ton.

In September, production had amounted to $93,690 from 2,609 tons of ore with recovery averaging $35.91 a ton for the month. Grade of ore milled in October was slightly higher than in the previous month.



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Says Big Sacrifices to Come

Bateman Predicts Citizens Have Yet To Feel Full Impact of War Need

What Canada has done, is doing, and plans to do on the metals front was outlined to the Manitoba Chamber of Mines at its annual meeting Nov. 20 in Winnipeg by the man who knows more about this subject than any other man in Canada—George C. Bateman, Canada's metals controller. Mr. Bateman, besides being metals controller, is president of the Canadian Institute of Mining and Metallurgy and secretary of the Ontario Mining Association.

Highlights of Mr. Bateman's speech, which contained new data on Canada's war effort, may be summarized as follows:

1. We can look forward to winning the war, as the British Empire and the United States control 75% of all mineral wealth.
2. Canada has increased its deliveries of metals to the British Government to over a billion pounds annually, exclusive of nickel and aluminum.
3. War demand must take precedence over peacetime use for certain strategic metals.
4. It has been found advisable to store supplies of certain vital metals in this country.
5. Government financing of mining properties is expected only in cases of urgent necessity.
6. Further restriction of the use of metals, such as in small containers, may have to be imposed on Canada.
7. Mineral resources of this country are being swiftly depleted to meet war's demand and new discoveries are needed to maintain the industry.

Mr. Bateman's speech is given in part below:

This is a war which is not only fought with metals but for metals, because the British Empire and the United States between them control 75% of all the mineral wealth of the world. The country which can continue this control and hold out until the full effect of these resources is brought into play is bound to win.

In this effort Canada is playing an outstanding part. Not only is our mineral production at the highest rate in our history but in the field of non-ferrous metals we have the highest per capita production of any country in the world and we are also the greatest exporting country in the world.

Shortly after the outbreak of war, an agreement was entered into between the British Ministry of Supply and the principal Canadian producers of copper, lead and zinc for the delivery of large tonnages of these metals. In some cases the contracts have been increased so that now we are called upon to deliver over one billion pounds a year of these metals, exclusive of nickel and aluminum. . . In no case does the price for non-ferrous metals today exceed the pre-war price and on the average prices are less than pre-war.

Secondary Metals Vital

We are apt to overlook the importance of the secondary metals and strategic metals and minerals.

Among these manganese is one of the most important, because modern steel practice would be impossible without it. Every ton of steel produced requires approximately 14 pounds of manganese in the form of ferro manganese, and the industry is dependent to a very large degree upon this essential alloy.

Chromium is an important alloy in the manufacture of many of the steels required for war equipment, and is also used in the manufacture of stainless steels. Tungsten is needed as an alloying material in high speed steels and in special steels while molybdenum is required with other alloys in the production of armor plate.

Magnesite for use principally in refractories is essential in the steel industry and in non-ferrous metallurgy. It is also the most important raw material for the production of magnesium metal.

Practically every electrical device depends upon mica for insulation and without it motors would cease to turn. Our hope of superiority in the air is partly dependent upon mica for the manufacture of airplane spark plugs.

It is essential to see not only that ample supplies of these and other lesser metals are available, but that war requirements have first call upon them. The production of ferroalloys has increased over four times and with the completion of plants now under construction, brass fabricating facilities will have increased six times.

Has Many Problems

You may be interested in knowing some of the problems with which the metals controller is concerned. My field covers all metals and minerals except coal, oil, steel and iron.

It is essential to know Canadian requirements and where supplies are obtained from, to estimate the possibility of any shortage, make provision for this, and see that war requirements have first call upon the available supplies.

In the case of the strategic metals and minerals in which this country is deficient, it may be necessary to stock supplies and in some cases this has been done.

One of the first and most immediate problems which I had to face were the many requests to finance mining properties in various stages of development. I have had so many requests of this nature that if they had all been granted, it would have meant a serious addition to our national debt.

It is quite true that under the powers granted me by Order-in-Council, I have the right to recommend this. It is equally true that it is highly desirable to see Canadian needs met as far as possible from Canadian sources of supply, but on the other hand, my personal feeling is that the Government should not go into the mining business. This is a general statement of policy which I think should only be departed from in case of urgent necessity.

Fabricating Plant Swells

The transfer of many types of manufacturing from Great Britain to Canada has resulted in tremendous increases in our fabricating facilities. In most of these, metals are the principal products. Not only has non-ferrous metal production been greatly increased, but even more striking is the expansion of fabricating plants. This is particularly true with aluminum and brass. With their completion we shall have approximately six times the prewar capacity. In the meantime it is necessary to have certain essential brass requirements fabricated in the United States in order to supply Canadian manufacturers and it is part of my job to see that the necessary copper and zinc are made available.

At the commencement of the war no one could visualize the extent to which Canada would be called upon to fabricate non-ferrous metals. The original contracts between the producers and the United Kingdom did not contemplate or provide for such fabrication, but at a recent meeting the producers voluntarily agreed to amend the contracts so that the copper and zinc fabricated for war purposes in Canada would be made available at lower prices.

In certain cases, such as zinc scrap and dross, it has been found necessary on account of the price differential between Canada and the United States to prohibit export licenses for these products.

The only metal in which a rigid control has so far been found necessary is aluminum. Steps have been taken to reduce drastically the non-essential uses of aluminum and all exports and imports of aluminum and its products are controlled through export and import permits.

Precedence Over All

The needs of the air force must take precedence over all others and if there is not enough aluminum for both airplanes and ordinary domestic consumption then there can be no question as to which should have first call.

In Canada we have been using enough aluminum each year in the wrapping of tobacco, tea and confectionery to build a thousand airplanes. It is no sacrifice to us to buy these products without aluminum wrappings, but it is very real sacrifice to the manufacturer and his employees who may have a business that has taken many years to build up.

While we are now exercising a very close control over aluminum it may be a little while yet before you as individuals really begin to notice much effect. It takes time to provide substitutes, to make the necessary changes to equipment and machines, and to work off stocks on hand.

In my opinion aluminum is only one of many things we will have to learn to do without in this emergency. Under orders issued by the British Ministry of Supply, metal containers for face powders, cigarettes, confectionery, cocoa and many products will soon disappear from British stores. Soups, fruit, vegetables, condensed milk and tobacco will no longer be sold in small cans and the use of tin plate and sheet steel will be banned for many common uses. It is hoped by this means to save 50,000 tons annually of sheet steel for munitions purposes.

It is not impossible that restrictions of this type may have to be imposed in Canada.

Can't Go On Spending

We cannot hope to continue spending United States dollars for luxury items and even many things which we have come to regard as necessities. Yet everywhere we find these imported products which we could either do without or for which we could find substitutes. Every single person in this country should act as a controller to eliminate waste and to reduce non-essential expenditures.

We in Canada have not yet begun to realize what the word "sacrifice" means. There are dark months ahead of us, months during which we will see little progress, months when we will suffer reverses.

This does not mean only a sacrifice of money. We must be prepared to sacrifice our personal desires and our personal liberties. We must reduce our personal expenditures and lower our standard of living in order that more money may be made available for essential war requirements.

War demands have necessitated our mineral resources being drawn on at a scale never before dreamed of. Increases in smelting capacity have been such that we will soon be producing approximately 900,000 tons of non-ferrous metals a year. This is far in excess of any replacements.

Need More Prospecting

The future of the mining industry is in jeopardy unless new discoveries are made to replace those which are being depleted at so rapid a rate.

The question is how this can best be done. My own opinion is that the best results can be obtained by having a strong Dominion Geological Survey and Department of Mines working in the closest co-operation with the Mines Departments, of the different provinces. A definite plan should be prepared outlining a programme of geological investigation over a period of years, but this should be done only after consultation with the provinces and the whole proposal should be considered as a co-operative undertaking. The matter is important. Even although we are in the midst of a war a start should be made now, but that start will not be made unless industry demands it.

While we make these plans for our own industry, do not forget that we should also be planning for the part that this industry will play in the future of Canada and of the Empire. The lack of essential raw materials is perhaps one of the greatest causes of war.

Is it not possible that if the mineral resources of the world were placed under international control so that only enough was made available to supply the normal peacetime requirements of all countries, we would remove one of the greatest dangers of war?

Such a move would not only prevent the accumulation of stocks for war purposes but it would help to conserve for future generations natural resources which cannot be replaced.

Negus Milling Shows Profit

Earnings Rise to 13.1 Cents a Share — Debt Lowered Substantially

Considerable progress was experienced by Negus Mines in the year ended July 31, 1940—the first full year of operation. High lights of the period are as follows:

Net profit of $262,115 compared with $62,637 in the initial six months of operation.

Earnings equal to 13.1 cents a share as against 3.1 cents the preceding six months.

The excess of current liabilities over current assets reduced to $906 at July 31, 1940 from $282,626 a year previously.

Completion of the shaft from 300 to 500 ft. and cutting of the East vein at the 425-ft. horizon.

During the year ended July 31, 1940, 21,370 tons of ore were milled yielding $772,252, an average of $36.14 a ton. As at July 31, 1940, 21,710 tons of ore were developed ahead of mining operations.

Power Being Arranged

Transformers and motors have been shipped to the company's property and it is expected electric power will be in use about the first of the new year. Negotiations for a contract are now proceeding. Electric power is expected to reduce costs and to allow an inexpensive means of enlarging tonnage capacity.

A drift is now being run at the 300-ft. level to explore to the south where surface showings were richer than in the section now being mined.

Income and Surplus Account

	Year ended July 31 1940	6 Mos. ended July 31 1939
	$	$
Metals produced	772,252	291,098
Less: Marketing	9,917	4,037
Net production	762,335	287,061
Less: Development ...	99,930	33,815
Mining	126,927	61,103
Milling	81,703	46,433
General expense ...	60,121	30,390
Head off. expense ..	18,730	8,112
Operating profit	374,924	107,208
Less: Interest on loans	9,291	6,712
Depreciation	49,160	20,614
Pre-production exp..	31,600	15,800
Profits royalty	9,495	1,445
E. P. Tax	13,263	......
Net profit	262,115	62,637
Add: Prev. surplus ..	59,717	......
Less: Org. exp. w/o ..	......	2,920
Surplus forward	321,832	59,717
Earnings Per Share and Dividend Record:		
Earned	$0.131	$0.031
None paid.		
No. of Shs. Outstand.	1,997,000	1,997,000
Working Capital		
Current assets	242,655	98,034
Current liabilities	243,561	380,660
Excess of current liabilities over current assets	906	282,626

Placer Develop. Earnings Rise

With $230,000 in dividends received from Pato Consolidated, a sharp increase in earnings to $1.48 a share was experienced by Placer Development for the year ended April 30, 1940. In the previous year, earnings were $1.26 a share.

Dividend income totalled $1,130,000 in 1940 with little change shown in dividends from Bulolo Gold Dredging, the company's chief holding. The dividends from Pato more than offset a loss of $92,250 in dividends from Asnazu Gold Dredging.

Asnazu Gold Dredging realized a profit of $156,671 in the same period after Colombian taxes but before depreciation and depletion. A total of 1,057,200 cubic yards were dredged and $427,555 was recovered with gold at $35. No. 2 dredge is expected to be completed about June 1, 1941.

Income and Surplus Account
Years Ended April 30

	1940	1939
	$	$
Bulolo dividends	900,000	909,417
Asnazu dividends	......	92,250
Pato dividends	230,000	......
Total income	1,130,000	1,001,667
Less: Gen. exps. (net)	28,250	62,532
Taxes	1,091	2,934
Net profit	1,100,659	936,201
Less: Dividends	892,800	876,000
Surplus for year	207,859	60,201
Add: Prev. surplus ..	1,068,333	1,309,575
Less: Com. on sale ...	......	175,000
Spec. res. approp. ..	......	126,443
Surplus forward	1,276,192	1,068,333
Earnings per Share and Dividend Record:		
Earned	$1.48	$1.26
Paid	1.20	1.20
No. of Shs. Outstand. .	744,000	744,000
Working Capital		
Current assets	1,426,173	1,369,606
Current liabilities	6,887	63,804
Working capital	1,419,286	1,305,802

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Mining Enquiries

Siscoe, Teck Hughes,

Would you kindly give me a report on Siscoe Gold Mines, and Teck Hughes?

Siscoe Gold Mines for the nine months ended Sept. 30, 1940, reported earnings of 8 cents per share, or 11 cents per share on an annual basis. This compares with 16 cents per share in 1939 and 19 cents in 1938.

In the first six months of the current year earnings fell short of dividend requirements by $26,000 due to increased taxation, but the company is making intensive efforts to reduce operating and administrative costs.

Operating costs for the nine months to Sept. 30, 1940, were $4.44 per ton, against $4.84 in the corresponding period of 1939; and operating costs in the Sept. 30 quarter of the current year were $4.29.

Teck Hughes Gold Mines had a net profit of $2,293,558 in the fiscal year ended Aug. 31, 1940, as against $2,023,392 in 1939. Earnings per share in the 1940 fiscal year amounted to 48 cents and dividends received from Lamaque Gold Mines, the company's subsidiary, amounted to 24 cents per Teck share or one half total earnings per share.

Working capital as at Aug. 31, 1940, amounted to $2,860,920. Ore reserves at the parent company decreased 4% in tonnage, but new ore was found during the year on various levels in branch veins.

Gunnar Gold

Please give me some details on earnings, financial position and ore reserves of Gunnar Gold Mines.

From the company's record of monthly production, earnings of Gunnar Gold Mines have been running fairly close to the level of last year, when net profits were equal to 7.7 cents a share. However, it is possible that taxation may reduce profits slightly this year. In spite of this possibility, however, the company is not expected to have difficulty in maintaining dividends of 6 cents a share per annum.

Some time ago, opening up of good ore on the company's new bottom level at 1,750 ft. depth was reported. This indicates a considerable extension of the company's ore position.

Anglo-Canadian

What is the present position of Anglo-Canadian Oil Co.? Is the war likely to improve the company's outlook?

Apparently Anglo-Canadian Oil Co. has been able to improve its financial position considerably this year, for the company has called for redemption of $222,000 of bonds issued by its wholly owned subsidiary, Drilling Contractors. In spite of the calling of these bonds the company has also been able to participate in financing several new wells.

In 1939 the company shared in drilling five wildcat wells without much success. No similar programme has been carried out this year and there has been no corresponding drain on resources. Income instead has been aided considerably by the fact that Turner Valley wells are now allowed to produce all oil possible on an efficient basis. Anglo-Canadian holds interests in a large number of Turner Valley wells both directly and through small subsidiary and associated companies distributing regular dividends as revenue warrants. For the duration of the war, at least, it appears demand for Turner Valley crude oil will continue at a high level.

Practically every drilling rig on the Prairie Provinces is now in operation, as the demand for crude oil has been stepped up. This is particularly beneficial to the company, with Drilling Contractors operating eight rigs.

Bralorne

Will you please give me information on Bralorne Mines?

Bralorne Mines Limited showed earnings per share of $1.49 in 1939, compared with $1.41 in 1938. Dividends have been paid at the regular quarterly rate of 20 cents per share, plus 10 cents extra since Jan. 14, 1939.

For the nine months ended Sept. 30, 1940, bullion recovery amounted to $2,954,220, from 144,920 tons. Owing to the development in the Empire shaft area it is expected development costs for 1940 will run as high as 1939. It can be assumed, therefore, that operating costs will be in the neighborhood of the 1939 figure, $6.50 per ton, which means that gross operating profit for 1940 will be about the same as 1939.

While the company's earnings per share will be affected by taxation, it appears that dividend requirements can be met for some time to come.

Bralorne has a strong working capital position and at the end of 1939 reported four years' ore ahead of the mill.

Uchi Gold

What is the outlook for Uchi Gold Mines, with particular reference to the position of its bonds?

Uchi Gold Mines is showing an operating profit of roughly $725,000 on the basis of the performance shown in the Sept. 30, 1940, quarter. In this period 60,096 tons were treated for recovery of 358,872, an average of 653 tons per day and $5.97 per ton.

At the annual meeting last spring, mine manager D. G. Campbell estimated that an operating profit of $3 per ton or $850,000 annually should be made on the basis of treating 750 tons daily. The company's mill is now working up to its daily objective.

In August of this year officials gave it as their opinion that it should be possible to retire the $1 million bond issue by the due date, which is Dec. 31, 1941. Net profits will, of course, be much lower than the operating profit suggested above It should be realized that non-operating costs such as depreciation and deferred development are realized in cash and this makes money available for the retirement of bonds. At the same time the effect of taxation should not be forgotten.

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Mining Concentrates

Bankfield Consolidated Mines treated 3,102 tons of its own ore and 173 tons of ore from Jellicoe Consolidated in October, from which was produced $40,440, an average recovery of $12.35 a ton. Total production for the first 10 months of this year, including Jellicoe ore, is reported at $372,342 from 38,864 tons.

* * *

Base Metals Mining Corp. has appointed a new mine manager in A. G. Horning, who succeeds, J. D. Galloway, who has been appointed mine manager at Jerome Mining Corp., another Mining Corp. operation.

* * *

Continental Kirkland Mines has decided to await results of further work at the adjoining property of Toburn Gold Mines before giving consideration to further work. The option on 1,409,844 shares held by American Smelting & Refining Co., Premier Gold Mining Co. and Toburn Gold Mines will not be exercised, it is stated.

* * *

Duquesne Mining Co. advises it has received payment for 37,500 shares, comprising balance of the underwriting payable by Nov. 21 while an additional 25,000 shares have been taken up to apply on Nov. 21 option installment on 100,000 shares.

* * *

Gillies Lake Porcupine reports 68 ft. of drifting and 69 ft. of crosscutting completed by Hollinger Consolidated during October. A fault zone was cut at 1,070 to 1,080 ft. north of the Hollinger-Gillies line at the 1,550-ft. level. Drifting returned assays up to 0.12 oz. per ton. The 70 drift was continued westerly with assays up to 0.04 oz. per ton. No assays were obtained in 1,043 ft. of drilling completed.

* * *

Goldale Mines has declared a dividend of 2 cents a share payable Dec. 18 to shareholders of record Dec. 3. A dividend of the same amount was paid Jan. 26, 1939.

* * *

Francoeur Gold Mines has declared an initial dividend of 3 cents a share payable Dec. 20, 1940, to shareholders of record Dec. 5. Two dividends of similar amount are reported likely next year on the basis of present operations, it is reported.

* * *

Kootenay Belle Gold Mines reports a decrease in production in October:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
October	3,195	103	13.41	42,750
September ..	3,085	103	15.56	48,000

* * *

Kerr Lake Gold Mines has declared a dividend of 5 cents a share, U.S. funds, payable Dec. 16, 1940, to shareholders of record Dec. 2; ex-dividend Nov. 29. A dividend of similar amount was paid Aug. 29, 1940.

Kerr-Addison Gold Mines has declared a dividend of 5 cents per share payable Dec. 20, 1940, to shareholders of record Nov. 30; ex-dividend Nov. 28. Two dividends of similar amount were paid previously this year.

* * *

Macassa Mines set a new high for monthly production in October:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
October	12,922	417	18.48	238,751
September ..	12,360	412	17.54	216,813

* * *

Negus Mines has called its annual meeting for Nov. 28, 1940 at 2.30, the library, Royal York Hotel, Toronto.

* * *

Northern Empire Mines Co. production was slightly lower in October:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
October	5,221	168	10.17	53,090
September ..	5,034	168	11.25	56,627

* * *

Pioneer Gold Mines was able to meet all dividend requirements out of earnings after allowing for war taxation in the six months ended Sept. 30, 1940, which is the first half of the company's fiscal year, according to Howard T. James, managing director. Production for the period is stated to have been normal although figures have not been revealed.

* * *

Relief Arlington Mines showed a lower production in October as shown below:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
October	2,818	91	10.23	28,840
September ..	2,461	82	12.81	30,625

* * *

Straw Lake Beach Gold Mines plans additions to and re-arrangement of equipment as a result of disclosures at its 700-ft. level. This new programme is expected to be completed by the year end, it is stated. Pumping and hoisting units are to be powered by electricity and steam, in place of the present air power, making ample air available for mining purposes. Plans call for driving both the 575 and 700-ft. levels east and west into new ground which are reported promising. During December, the mill is expected to reach capacity on mine ore alone.

* * *

Smelter Gold Mines is reported arranging new financing of work at its property adjoining God's Lake Mines in the God's Lake area of Manitoba. Company owns 18 claims on which a shaft was sunk 250 ft. in previous operations. In addition, the company also has 18 claims adjoining Wampum Gold Mines at Wampum Lake, 45 miles north of Fort Francis, and 12 claims adjoining Thompson Lundmark Gold Mines, Yellowknife area, N.W.T.

Find New Deposit At Hedley Mascot

Hole Gives Width of Nearly 80 Feet of Good Grade Ore

From Our Own Correspondent

VANCOUVER.—Discovery of a large and "exceptionally high grade" ore body on the 4,500 level of Hedley Mascot Gold Mines north of the vertical dyke and near the eastern boundary of the Mascot claim is reported to shareholders by Dr. Victor Dolmage, consulting geologist.

Dr. Dolmage reports a hole through the body showed nearly 80 ft. of good grade ore. Especially encouraging results, he states, were obtained also in the vicinity of the 4,401 stope in the southwest part of the Mascot claim. Here an ore body was proved to lie in a sharp fold in the limestone on the upper side of the sill.

Quarter Profit Down

During the third quarter of 1940, Hedley Mascot milled 17,191 tons of ore with net income after provision for taxes, development and exploration amounting to $69,171, compared with the previous quarter's 15,416 tons and estimated net profit of $75,524.

Earnings per share before depreciation and depletion were 3.05 cents, compared with 3.33 the previous quarter.

Exploration during the period consisted chiefly in trying to extend known limits of the several ore bodies which were worked; all the ore bodies responded satisfactorily. Ore reserves have been maintained or increased, it is stated.

An attempt by drilling to discover the extension of No. 4 ore body south of the Nickel Plate fault has recently proved successful. A bed of ore 5 to 10 ft. thick has been shown to extend south of the fault. This exploration is still in an early stage, but Dr. Dolmage regards it as important.

Argus Earnings Offset By Security Losses

Although income from dividends, interest and exchange totalled $39,406 for the year ended Aug. 31, 1940 compared with $30,410 the previous year, Argus Interests ended last year with a deficit of $30,251 carried forward compared with a surplus of $1,585 the year before, due chiefly to $49,311 loss on investments.

Balance sheet as at Aug. 31, 1940, showed cash of $13,072, $3,065 accounts receivable and $958,715 in shares of other companies with market value of $702,000. Current liabilities were $3,010. Of an authorized capital of 1.5 million shares, 1,015,555 shares were outstanding.

New Records Set by La Luz

New records for tonnage milled, output value and net profits were set by La Luz Mines in the three months ended Sept. 30, 1940. Canadians are interested in this company through Ventures and Sudbury Basin Mines which hold substantial investments.

Estimated net profit for the quarter amounted to $244,572 compared with a previous record of $225,858 the preceding quarter. Figures in each case are in United States dollars.

Production for the quarter amounted to $436,469 from 53,077 tons of ore milled for an average recovery of $8.22 a ton. In the preceding three months, $379,499 was recovered from 49,155 tons of ore with recovery averaging $7.72 a ton.

Raise Mill Rate

Early in October the mill was brought up to over 800 tons daily from the average of 577 tons in the September quarter. Construction of an intermediate ball mill unit had been practically completed by the end of the quarter. This consists of a ball mill, classifier, unit cell and two banks of flotation cells. A regrind mill to help extraction by regrinding concentrates was also installed.

All the heavy equipment for the water power plant was shipped and has largely arrived at the power site, it is stated. Owing to the company's mill being located in tropical climate, it has been deemed advisable to write off depreciation at 15% per annum. This accounts for an increase in the depreciation and deferred development charges

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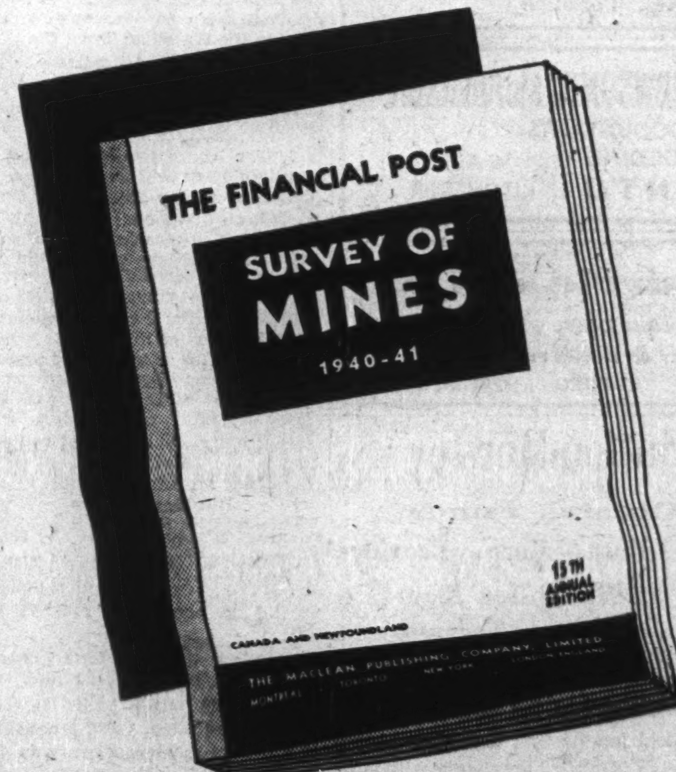

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Saskatoon Meets Nov. 1 Maturity

Favorable Exchange Means $30,000 Saving Out of $660,000 Met

The City of Saskatoon met from sinking fund a total of $660,000 long-term debentures which matured Nov. 1. This brings total retirements for 1940 to almost $1.4 million and reduces gross debenture debt to $12.6 millions. Sinking fund remains at about $6 millions.

Favorable exchange resulted in a saving to the city of about $30,000. Retirements included $434,000 of 30-year 4½% debentures payable in London and Canada. The sterling debentures were retired with the pound quoted at $4.43 or 8% below par. Balance of $226,000 were 20-year 5% debentures payable in Canada.

Total of $240,000 of the maturing debentures—mostly the 5% issue—were held in the city's sinking fund, which left a net balance of $420,000 to be met from cash.

MORE BELL STOCK

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada advises the Montreal Stock Exchange that 816 additional shares of its capital stock have been issued under the employees stock plan. This makes the total number of shares outstanding 820,295.

Sutton-Horsley Obtains Funds

Haras Corp. Provides $49,500 for Plant Expansion in Toronto

Financing of Sutton-Horsley Co. has been undertaken by Haras Corp., which enters the general financial field for the first time after having been identified previously with mining ventures.

Sutton-Horsley already has received $49,500, which officials state is sufficient to meet about 50% of the needs for plant expansion. The company is engaged in the manufacture of precision and scientific instruments, particularly as related to the X-ray, electrical and aircraft industries.

The plant operated in Toronto is being expanded, and tools and jigs for large-scale production are to be installed, Haras Corp. says.

Orders on hand are reported to total $640,000, of which more than half are on designs originated and controlled by the company. Business is done in both the export and domestic field, principal current domestic orders being for Canadian aircraft companies.

Industry's Power Use Widens

New Survey Shows 81.3% of all Power Employed is Electrical

From Our Own Correspondent

MONTREAL. — Dependency of Canada's manufacturing industries on electricity in peace and wartime, is strikingly illustrated in a new survey prepared by the Transportation and Public Utilities branch of the Dominion Bureau of Statistics.

At the end of 1938 total power employed in manufacturing industries was 4,969,723 h.p., of which amount 3,963,545 h.p. represented electric motors.

The trend of power machinery in the manufacturing and mining industries of Canada toward electric drive types, and particularly toward electric motors run by power from central stations, has been especially marked. Over the past 15 years power employed increased 131.5%, but the use of electric motors gained 201.2%.

During the 15 years between 1923 and 1938, the Bureau points out there has been very little net increase in the use of water power in manufacturing industries outside of the central electric station industry, which is not included as a manufacturing industry.

Rate of Growth

Steam engines in use during the period increased in capacity only 49.9%. Internal combustion engines more than doubled. However, they still constitute only a small percentage of the total.

Electric motors trebled in capacity. Those operated on power purchased from central stations increased by 244.6% whereas electric motors operated by electricity generated by the industries increased only 84.7%.

The ratio of electric motor capacity to total power employed has increased steadily. The recessions have been few and small. The saturation point will be reached somewhere below 100% because direct hydraulic drive or steam or internal combustion engines probably will always be used in some plants, in preference to electric motors.

81.3% Electric Power

In 1938 the total power employed in manufacturing industries in this country was 4,969,723 h.p. of which 4,649,862 h.p. was in regular use. Of the latter, 81.3% represented electric power.

In the accompanying table of power employed in industry by provinces, it will be noted that not only does Ontario use more power than any other province, but the percentage of electric power used is second only to that reported by Manitoba. Quebec is well up on the list, both in power employed and the percentage of electric power in use. Prince Edward Island, with limited supply of electricity, depends largely upon internal combustion and steam engines.

Pulp and Paper Leads

While the transfer to electric drive from other forms of power has been taking place in all groups of industries many of them were highly electrified in 1923.

Power employed in the pulp and paper industry is by far the greatest of any industry, constituting 35% of the total for all manufacturing industries in 1923 and 40% in 1938.

The growth in the use of electric motor power in this industry from 447,847 h.p. in 1923 to 1,617,524 h.p. in 1938 has been an important factor in the increase for the industry as a whole. Deducting this industry from the total shows an increase in electric drive from 62.2% in 1923 to 78.9% in 1938, as against 61.3% to 79.8% with the pulp and paper industry included.

The importance of the pulp and paper industry as a consumer of electricity is even greater than the power equipment data would indicate. This is due to the plants operating more or less continuously throughout each day of the year and through the use of secondary electric power for electric boilers. Since the report was compiled, it should be noted that there has been a sharp restriction in the amount of secondary power for use in electric steam boilers.

In 1938 the pulp and paper industry accounted for 50% of the electricity purchased for power and lighting, 59% of the power purchased for other purposes, 72% of the electricity produced by the industries and 57% of the total electricity used by all manufacturing industries for all purposes and from all sources.

Depend on Electricity

According to the report of the bureau, three manufacturing industries in Canada depend entirely upon electric power. Sixteen other industries report that of their power equipment, over 90% is operated by electricity.

The extent to which Canadian manufacturing industries are dependent upon electric power, and the degree of consumption of electrical energy, is set out in the following table:

Power Equipment in Industry
—1938—

	Ratio electric power used %	Consumption 000's kw.h.
Sugar refineries	100	....
Fertilizers	100	412,550
Silk	100	116,196
Primary cotton	99.6	269,023
Ice manuf.	99.5	25,241
Machinery	98.5	26,561
Cement	98.4	40,535
Structural steel	97.9	15,590
Elect apparatus	97.2	68,280
Rubber goods	96.9	23,854
Printing	96.9	34,287
Rly. rolling stock	96.1	101,412
Castings & forgings	96.0	37,610
Brass products	96.5	25,090
Auto. supplies	95.8	38,582
Automobiles	94.1	49,533
Bread	92.4	30,291
Shipbuilding	92.6	12,429
Meat packing	91.6	108,746
Confectionery	89.9	22,989
Tanneries	89.9	13,445
Primary iron	90.8	222,701
Agric. machinery	86.3	17,213
Non-ferrous smelting	85.3	3,250,334
Acids, etc	85.5	865,302
Pulp & paper	82.4	9,958,852
Breweries	81.9	28,943
Coke & gas	77.3	48,561

The mining industries are almost as highly electrified as the manufacturing industries, the ratio increasing from 57.3% in 1923 to 76.8% in 1938. The total power employed in 1923 was 301,316 and in 1938, 874,943 h.p.

More Power Per Man

On of the interesting calculations worked out by the bureau shows the average horsepower of equipment for employee-manufacturing industries by the principal groups. In 1923 the average was 4.2 h.p. per employee and in 1938, 7.7 h.p.

The most notable percentage gain was in the non-ferrous metal mining and smelting group, where the average per employee increased from 4.7 to 12.1 h.p. The greatest absolute gain was recorded by the wood and paper products group, which increased from an average of 8.9 h.p. to 17.8 h.p. per employee.

The returns of the nine different types of manufacturing groups follow:

Average H.P. of Equipment Per Employee in Industry

Group:	1938	1923
Vegetable prod	3.7	3.9
Animal prod.	2.1	1.3
Textiles prod.	1.9	1.2
Wood & paper	17.8	8.9
Iron & prod.	6.2	2.4
Non-ferrous metal	12.1	4.7
Non-metallic	11.3	5.3
Chemical	7.0	4.1
Misc. indust.	2.3	2.8
Total	7.7	4.2

Power Employed in Industry

	Total Power Used h.p. (1938)	% Electric Power (1938)	Total Power Inc. Reserve h.p. (1938)
Prince Edward Island	3,710	19.0	3,979
Nova Scotia	178,390	65.5	184,680
New Brunswick	198,433	76.8	230,966
Quebec	1,743,137	80.6	1,840,891
Ontario	1,796,115	85.5	1,901,624
Manitoba	151,473	91.6	156,242
Saskatchewan	46,594	73.1	49,142
Alberta	70,381	65.9	76,968
British Columbia	491,089	76.8	525,224
Canada	4,649,862	81.3	4,969,723

Power Equipment of all Manufacturing Industries in Canada*

	Total Power Used	Total Motor Capacity	Electric Motors Operated by Cent. Station Power	Electric Motors Operated by Power Gen. in Industry
1938	4,969,723	3,963,545	3,308,804	659,741
1935	4,346,775	3,387,089	2,874,693	512,396
1931	4,114,667	3,127,211	2,587,411	539,800
1927	3,287,582	2,311,242	1,924,687	386,555
1923	2,146,903	1,315,828	958,692	357,136

*Excluding central electric stations and including idle and reserve equipment.

C. W. Lindsay Offer Revived

Guardian Trust Seeks Acceptances — Basis Same as Previous Plan

From Our Own Correspondent

MONTREAL. — Guardian Trust Co., Montreal, has advised shareholders of C. W. Lindsay & Co. that an offer has been received of $50 a share for the preferred and $4 a share for the common stock.

This is the same offer that was made earlier in the year by A. L. Mailman and is renewed at this time through the reopening of negotiations by the trust company. The offer was renewed on the understanding that the Guardian Trust Co., which holds approximately 25% of the common stock of the C. W. Lindsay & Co., would assume responsibility of acceptances.

In the case of the first offer to buy the shares, acceptances were received from 85 stockholders, including the Guardian Trust Co.

Reason for Acceptance

In the current letter the trust company states that in its opinion the offer is fair because:

1. The company has displayed negligible earning power since it defaulted in the payment of common stock dividends in March, 1932.
2. Even if earnings were substantial it is probable they could not be diverted for dividends because of the large amount of working capital required for an installment-plan business of this type.
3. Over 45% of arrears of preferred dividends accumulated since March, 1933, must be dealt with before earnings, should they materialize, can be employed to meet dividends on common stock.

Option to Dec. 20

The current offer is not conditional upon acceptance of any fixed proportion of the outstanding shares. Mr. Mailman has the option of taking up the acceptance received by Dec. 20.

At present C. W. Lindsay & Co. has outstanding 48,120 preferred shares with a par value of $100 each and 33,008 shares no par value common stock. In addition, there are 300,000 of 6% first mortgage bonds in the hands of the public.

Financially the company occupies a strong position, current assets exceeding current liabilities by $821,310 at the end of last February.

Buy in Own Stock

Earning power of the company, in relation to its capital stock, has been inadequate in recent years. Because of its strong working capital position, however, the company has been able to redeem $500,000 of its first mortgage bonds and now holds $400,000 of the same issue. Moreover, the company has reduced the original issue of 120,000 shares of preferred stock through purchase on the open market to 48,120 shares.

Last year the company showed net earnings of $43,034 and a net profit after bond interest and depreciation of $8,729. The latter was equal to $1.81 a share on outstanding preferred. For the current year sales have been approximately a third higher than in the like period of 1939, while earnings have likewise shown improvement.

Walker's Sales Tapering Off

Sales of Hiram Walker-Gooderham & Worts Ltd. are understood to have currently tapered off from the unusually high levels of the last quarter of the company year ended Aug. 31, last.

Probably not unexpected, this reaction seems a natural development following heavy stocking of consumer and trade outlets in anticipation of price and tax increases which became effective recently.

The result is likely to be that the current quarter, ended with November, will not show earnings equal to the $2.08 a share reported a year ago. Higher taxes in Canada and the United States are factors. Current sales volume is said to be well ahead of a year ago.

Scottish Distillery Resumes

In Scotland the company's huge new distillery resumed production in August and is now in normal operation. The shutdown period, extending from last spring until August, apparently did not affect export shipments.

Unusually good results are being experienced by the company's popular line of whisky, Canadian Club, which is now said to be selling about 25% ahead of last year's record level, or at a rate well above 600,000 cases a year.

Further improvement of the company's position is claimed as a result of good reception given to the company's new Deluxe Bourbon, introduced last spring. Cordials and fruit liqueurs made by Walkers in the United States are said to be obtaining a strong hold on the market, aided by stoppage of imports from France. This latter line now amounts to between 2 and 2½% of the company's total sales, more than double that of a year ago.

Consumers' Gas Revenues Hold

Heavy New Expenses Result From War—Economies Effected

Total revenues of the Consumers' Gas Co. of Toronto for year ended Sept. 30, last, were close to the figure for the previous 12 months, according to A. L. Bishop, president. Owing, however, to increased taxes, exchange on U. S. funds and higher costs of labor, it was necessary to draw on general reserves to the amount of $537,347, compared with $298,308 in the previous year, in order to provide the full statutory amount in the plant and buildings renewal fund.

Gas sales at $5.3 millions were down about $108,000, but revenues from sale of coke and other by-products were higher. Merchandise sales and miscellaneous revenues also were up. It is understood gas sales were higher in the latter months of the fiscal year, compared with the same months of 1939, and that sales of gas for industrial purposes are showing the biggest increases.

Increased expenditure directly traceable to the war totalled $249,918. This included $120,777 in U. S. exchange on the cost of coal, $97,241 in increased taxes and $21,900 in special protection for plants. The U. S., it is stated, is the only practicable source of supply for coal, so the exchange burden will continue. From June 24 last, a further burden has been the 10% special customs duty on all imports.

Economies were effected during the year which will be fully reflected in operations for the current year. An investigation of the company's gas manufacturing plants and their operation was carried out during the year by Stone & Webster Engineering Corp. of New York. No substantial deficiencies were disclosed, according to Mr. Bishop, but a number of recommendations with respect to operation have been acted upon. The improvement in operating results has been marked in recent months, and the full benefit will accrue during the 1941 fiscal year.

The president asserts that this company's position with respect to taxation is different from that of its principal competitor, the Toronto Hydro-Electric System, properties of which are virtually tax free.

This is "an unfair handicap," Mr. Bishop stated, pointing out that Consumers' Gas pays out in taxes 12.2 cents per dollar of revenue, compared with only 3/10 of 1 cent by Toronto Hydro. Consumers' Gas corresponding figures for 1930 and 1920 were 7.2 cents and 4.8 cents, respectively.

M. R. Gooderham has been elected to the board to fill the vacancy caused by the death of L. Goldman.

Board Shaken-up By West Hydro

From Our Own Correspondent

VANCOUVER.—E. A. Riddell has been elected president of West Canadian Hydro-Electric Corp. and associated companies, succeeding Col. E. B. Westby. B. H. Gunning remains vice-president, while new directors are Leon J. Ladner and E. W. I. Keenleyside. Ross Peers remains a director. W. Fitch has been appointed secretary-treasurer to succeed W. T. Haynes, who will serve as operating accountant for the company in Vernon.

The change is in line with similar changes recently made by other associated companies, including Pacific Western Investment Co., Pacific Power & Water Co. and Okanagan Telephone Co. Mr. Riddell also has assumed the presidency of these companies. Following his appointment to head Pacific Power & Water Co., he claimed indications of mismanagement on the part of former directors.

The same high quality as our INVINCIBLE & CORONA except as to size!
BELMONT
B·H
Belmont
Perfectos
A BENSON & HEDGES
Value
Actual Size
10¢
Also Blunts & Panetelas

Associated Breweries Pays Larger Dividend

From Our Own Correspondent

MONTREAL.—Associated Breweries of Canada Ltd. has declared year-end dividend of 60 cents share on the common stock, payable Dec. 21 to shareholders of record Dec. 14. This compares with 50 cents paid a year ago and 45 cents in 193

1941 MOTOR VEHICLE PERMITS AND DRIVERS' LICENSES ARE NOW AVAILABLE

Secure Yours Early and Avoid the Usual Last Minute Rush

There has been no increase in the fees for permits and licenses. The fees charged in Ontario are still lower than in any other province of Canada or in the neighbouring states.

Table of comparison of fees in Ontario and two neighbouring provinces and states for three popular makes of passenger cars:

CAR	ONTARIO	QUEBEC	MANITOBA	NEW YORK	MICHIGAN
No. 1—4 cyl.	$ 2.00	$17.80	$14.00	$12.00	$ 8.40
No. 2—6 cyl.	7.00	22.00	16.50	15.00	10.50
No. 3—8 cyl.	10.00	21.30	16.50	14.50	10.15

Ontario's highway system is the largest in the Dominion, and for the very reasonable fees, indicated above, a great highway system comprising over 20,000 miles is maintained and made available to the motorists of Ontario and visitors from other parts of America.

The revenue collected from motorists by way of registration and license fees and the gasoline tax has made possible the construction and maintenance of this great system of highways.

For the convenience of motorists, permits and licenses are issued through the offices of 189 agents located throughout the Province.

Toronto, Nov. 18, 1940.

T. B. McQUESTEN,
Minister of Highways.

A SPECIAL REQUEST TO MOTORISTS:—When driving along the highways these increasingly cold days and nights, give our Soldier Boys a ride.